

THE NATIONAL ARCHIVES
LITTERA
SCRIPTA
MANET
1934
OF THE UNITED STATES

FEDERAL REGISTER

VOLUME 16 NUMBER 201

Washington, Tuesday, October 16, 1951

TITLE 3—THE PRESIDENT PROCLAMATION 2947

WORLD METALLURGICAL CONGRESS
BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA
A PROCLAMATION

WHEREAS the Congress of the United States, by joint resolution approved October 10, 1951, has extended its official welcome to the foreign metal scientists who will visit major American production centers and attend the World Metallurgical Congress to be held at Detroit, Michigan, from October 14 to 19, 1951, under the sponsorship of the American Society for Metals and with the cooperation of the Economic Cooperation Administration; and

WHEREAS the meeting of the World Metallurgical Congress will facilitate and encourage the exchange among scientists of the free world of scientific knowledge and industrial techniques in the field of metallurgy; and

WHEREAS the advancement of methods for the conservation of available metal resources and the discovery and development of additional sources of supply are of paramount importance to the mutual security and well-being of the free nations of the world; and

WHEREAS the aforesaid joint resolution requests the President to grant recognition to the World Metallurgical Congress and to the American Society for Metals for its sponsorship of this world gathering of metallurgical scientists, and to call upon officials and agencies of the Government to assist and cooperate with such Congress;

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby extend recognition to the World Metallurgical Congress and commend the American Society for Metals for initiating and sponsoring this meeting. I also extend the welcome of this Government to the Congress and to the scientists attending its proceedings, and I request that all Federal departments and agencies assist and cooperate with the World Metallurgical Congress as occasion may warrant.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 11th day of October in the year of our Lord nineteen hundred and [SEAL] fifty-one, and of the Independence of the United States of America the one hundred and seventy-sixth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Secretary of State.

[F. R. Doc. 51-12449; Filed, Oct. 12, 1951;
5:06 p. m.]

TITLE 14—CIVIL AVIATION Chapter I—Civil Aeronautics Board

Subchapter A—Civil Air Regulations

[Supp. 6, Amdt. 1]

PART 40—AIR CARRIER OPERATING
CERTIFICATE

CEILING AND VISIBILITY MINIMUMS

Section 40.101-1 (c), published on February 16, 1951 in 16 F. R. 1630-1632, is amended by renumbering subparagraphs (4) and (5) as (5) and (6) respectively and by adding a new subparagraph (4) to read as follows:

§ 40.101-1 *Ceiling and visibility minimums (CAA policies which apply to § 40.101).* * * *

(c) *Landing minimums.* * * *

(4) *Lowest landing minimums utilizing back course of the ILS.* Straight-in approach minimums of 300-1 or 400-¾ may be approved on the back course of the ILS provided (i) the criteria outlined in § 609.10 is complied with, (ii) the approach is monitored by surveillance radar, (iii) high intensity runway lights or approach lights are in operation on the runway to which the approach is being conducted, (iv) the obstruction clearance criteria is complied with as outlined in § 609.10, and (v) the establishment of such a procedure will not adversely affect traffic at the airport concerned.

(Continued on p. 10515)

CONTENTS THE PRESIDENT

Proclamation	Page
World Metallurgical Congress.....	10513

EXECUTIVE AGENCIES

Agriculture Department
See *Commodity Credit Corporation*; Production and Marketing Administration.

Army Department
Rules and regulations:
Army officer candidate courses..... 10520

Civil Aeronautics Administration
Rules and regulations:
Air carrier operating certificate; ceiling and visibility minimums..... 10513

Civil Aeronautics Board
See also *Civil Aeronautics Administration*.
Notices:
Hearings:
Compagnie Nationale Air France; permit case..... 10579
National Airlines, Inc..... 10579

Commerce Department
See *Civil Aeronautics Administration*.

Commodity Credit Corporation
Rules and regulations:
Wheat; 1951-crop loan and purchase agreement program..... 10515

Defense Department
See *Army Department*.

Economic Stabilization Agency
See also *Price Stabilization, Office of*.

Notices:
Critical defense housing areas; approving extent of relaxation of credit controls..... 10584

Education, Office of
Rules and regulations:
Construction of school facilities in areas affected by Federal activities; dead line for applications for payments and order of certifications from funds for fiscal year 1952..... 10558



Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Federal Register Division, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U. S. C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The regulatory material appearing herein is keyed to the Code of Federal Regulations, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended June 19, 1937.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1.50 per month or \$15.00 per year, payable in advance. The charge for individual copies (minimum 15¢) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER.

Now Available

HANDBOOK OF EMERGENCY DEFENSE ACTIVITIES

OCTOBER 1951-MARCH 1952 EDITION

Published by the Federal Register Division, the National Archives and Records Service, General Services Administration

125 PAGES—30 CENTS

Order from Superintendent of Documents, United States Government Printing Office, Washington 25, D. C.

CONTENTS—Continued

Federal Communications Commission	Page
Notices:	
Hearings, etc.:	
Eastland County Broadcasting Co. and Lyman Brown Enterprises.....	10577
K9 Patrol by Kennedy Detective Agency et al.....	10577
Miller, Leonard M.....	10578
Tefft, Frank D., Jr.....	10578
Rules and regulations:	
Stations in the maritime services:	
Land.....	10560
Shipboard.....	10560
Federal Power Commission	
Notices:	
Hearings, etc.:	
El Paso Natural Gas Co. (2 documents).....	10579
Michigan-Wisconsin Pipe Line Co.....	10579

RULES AND REGULATIONS

CONTENTS—Continued

Federal Power Commission—Continued	Page
Notices—Continued	
Hearings, etc.—Continued	
Natural Gas Pipeline Co. of America.....	10580
Panhandle Eastern Pipe Line Co.....	10580
Public Service Commission of Wisconsin.....	10580
Southern Natural Gas Co.....	10581
Federal Security Agency	
See Education, Office of.	
Federal Trade Commission	
Notices:	
Floor machinery industry; trade practice rules.....	10581
Fish and Wildlife Service	
Rules and regulations:	
Minidoka National Wildlife Refuge, Idaho; fishing and public use.....	10560
Geological Survey	
Regional supervisors; delegation of authority with respect to oil and gas sales contracts and agreements (see Interior Department).	
Rules and regulations:	
Approval of sales agreements or contracts covering the disposal of oil and gas lease products (not applicable to Indian or naval petroleum reserve lands).....	10519
Interior Department	
See also Fish and Wildlife Service; Geological Survey; Land Management, Bureau of.	
Notices:	
Geological Survey, regional supervisors; delegation of authority with respect to oil and gas sales contracts and agreements.....	10579
Internal Revenue Bureau	
Rules and regulations:	
Seizures, forfeitures and disposition of vessels, vehicles and aircraft; District 49, Puerto Rico, custody.....	10519
Interstate Commerce Commission	
Notices:	
Evans Milling Co. and Decatur Milling Co., extension of expiration date.....	10582
Rules and regulations:	
Car service:	
Movement of grain to terminal elevators by permit.....	10560
Saturdays to be included in computing demurrage on all freight cars.....	10560
Land Management, Bureau of	
Notices:	
Alaska; filing of plat of survey.....	10579
Price Stabilization, Office of	
Notices:	
Ceiling prices at retail:	
A. N. Khouri & Bro.....	10586
Atlanta Stove Works, Inc.....	10585
B. F. Gladding & Co. Inc.....	10586
Buxbaum Co. Inc.....	10587
Kentley Corp.....	10585

CONTENTS—Continued

Price Stabilization, Office of—Continued	Page
Notices—Continued	
Ceiling prices at retail—Con.	
Sanitary Products Corp.....	10586
Sitroux, Inc.....	10585
Standard Knitting Mills, Inc.....	10585
Directors of District Offices, Region XII, redelegation of authority:	
Act on applications pertaining to certain food and restaurant commodities (2 documents).....	10587, 10588
Authorize markups in excess.....	10588
Authorize sellers to use Group 1 or 2 ceiling prices instead of Group 3 or 4 ceiling prices.....	10588
Rules and regulations:	
Ceiling prices for certain processed fruits and berries of the 1951 pack; additional products covered and miscellaneous changes (CPR 56).....	10533
Ceiling prices of certain foods sold at wholesale (CPR 14).....	10521
Adjustment of ceiling prices for certain institutional sellers (CPR 14).....	10520
Corporate issuers of securities, quarterly financial reports (SR 1).....	10557
Machinery and related manufactured goods; machine tools, extension of effective date (CPR 30, SR 2).....	10558
Manufacturers' general ceiling price regulation (CPR 22).....	10535
Production and Marketing Administration	
Notices:	
Sugarcane, Hawaiian, and west coast sugar beet, wages and prices; postponement of hearings.....	10577
Proposed rule making:	
Milk handling, marketing areas:	
Milwaukee, Wis.....	10565
Nashville, Tenn.....	10568
Oklahoma City, Okla.....	10561
Securities and Exchange Commission	
Notices:	
Hearings, etc.:	
Arkansas Power & Light Co.....	10584
General Public Utilities Corp. et al.....	10583
Portland Gas & Coke Co.....	10582
Rules and regulations:	
Corporate issuers of securities, quarterly financial reports.....	10515
Treasury Department	
See Internal Revenue Bureau.	
CODIFICATION GUIDE	
A numerical list of the parts of the Code of Federal Regulations affected by documents published in this issue. Proposed rules, as opposed to final actions, are identified as such.	
Title 3	Page
Chapter I (Proclamations):	
2947.....	10513

CODIFICATION GUIDE—Con.

Title	Page
Chapter IV:	
Part 601	10515
Title 7	
Chapter IX:	
Part 905 (proposed)	10561
Part 907 (proposed)	10565
Part 978 (proposed)	10568
Title 14	
Chapter I:	
Part 40	10513
Title 17	
Chapter II:	
Part 240	10515
Title 26	
Chapter I:	
Part 466	10519
Title 30	
Chapter II:	
Part 223	10519
Title 32	
Chapter V:	
Part 541	10520
Title 32A	
Chapter III (OPS):	
CPR 14 (2 documents)	10520, 10521
CPR 22	10535
CPR 30, SR 2	10558
CPR 56	10533
SRR 1	10557
Title 45	
Chapter I:	
Part 104	10558
Title 47	
Chapter I:	
Part 7	10560
Part 8	10560
Title 49	
Chapter I:	
Part 95 (2 documents)	10560
Title 50	
Chapter I:	
Part 31	10560

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 604, 52 Stat. 1010, as amended; 49 U. S. C. 554)

These policies shall become effective upon publication in the FEDERAL REGISTER.

[SEAL]

F. B. LEE,
Acting Administrator of
Civil Aeronautics.

[F. R. Doc. 51-12341; Filed, Oct. 15, 1951;
8:47 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 240—RULES AND REGULATIONS UNDER SECURITIES EXCHANGE ACT OF 1934

CORPORATE ISSUERS OF SECURITIES, QUARTERLY FINANCIAL REPORTS

EDITORIAL NOTE: For order requiring corporate issuers of securities who are required to file annual reports in accordance with §§ 240.13a-1 or 240.15d-1 to

furnish quarterly financial reports upon request by the Commission, see Office of Price Stabilization document SRR 1, *infra*.

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1951 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Wheat, Rev.]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1951-CROP WHEAT LOAN AND PURCHASE AGREEMENT PROGRAM

The 1951 C. C. C. Grain Price Support Bulletin 1, 16 F. R. 1987 and 7126, issued by the Commodity Credit Corporation and containing the general requirements with respect to price support operations for grains and related commodities produced in 1951 was supplemented by 1951 C. C. C. Grain Price Support Bulletin 1, Supplement 1, Wheat, as amended, 16 F. R. 2777, 5651, and 8267 containing the specific requirements applicable to price support operations on wheat of the 1951 crop. Supplement 1 is revised as follows to include the two amendments which have already been issued and additional changes in the program which broaden the eligibility requirements for wheat:

Sec.	Purpose.
601.1211	Availability of price support.
601.1212	Eligible wheat.
601.1213	Warehouse receipts.
601.1214	Determination of quantity.
601.1215	Determination of quality.
601.1216	Maturity of loans.
601.1217	Determination of support rates.
601.1218	Warehouse charges.
601.1219	Settlement.

AUTHORITY: §§ 601.1211 to 601.1220 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1441, 1421.

§ 601.1211 Purpose. Sections 601.1211 to 601.1220 state additional specific requirements which, together with the general requirements contained in the 1951 C. C. C. Grain Price Support Bulletin 1 (16 F. R. 1987) apply to loans and purchase agreements under the 1951-Crop Wheat Price Support Program.

§ 601.1212 Availability of price support—(a) Method of support. Price support will be made available through farm-storage and warehouse-storage loans and through purchase agreements.

(b) Area. Farm-storage and warehouse-storage loans and purchase agreements will be available wherever wheat is grown in the continental United States except that farm-storage loans will not be available in areas where the PMA State committee determines that wheat cannot be safely stored on the farm.

(c) Where to apply. Application for price support should be made at the office of the PMA county committee which keeps the farm-program records for the farm.

(d) When to apply. Loans and purchase agreements will be available from the time of harvest through January 31, 1952, and the applicable documents must be signed by the producer and delivered to the county committee not later than such date.

(e) Eligible producer. An eligible producer shall be an individual, partnership, association, corporation, or other legal entity producing wheat in 1951 as landowner, landlord, tenant or share-cropper.

§ 601.1213 Eligible wheat. At the time the wheat is placed under loan or delivered under a purchase agreement, it must meet the following requirements:

(a) The wheat must have been produced in the continental United States in 1951 by an eligible producer.

(b) The beneficial interest in the wheat must be in the person tendering the wheat for loan or for delivery under a purchase agreement, and must always have been in him, or must have been in him and a former producer whom he succeeded before the wheat was harvested.

(c) Such wheat must be:

(1) Wheat of any class grading No. 3 or better; or

(2) Wheat of any class grading No. 4 or No. 5 because of one or more of the factors test weight, durum and/or red durum, or damaged kernels (other than heat damaged), but otherwise grading No. 3 or better; or

(3) Wheat of any class which fails to meet the requirements of subparagraphs (1) or (2) of this paragraph but which contains not more than 14 percent moisture and is not musty, or sour, or heating or hot; or

(4) Wheat of the class Mixed Wheat, consisting of mixtures of grades of eligible wheat as stated in subparagraphs (1), (2) or (3) of this paragraph provided such mixtures are the natural products of the field.

(d) Wheat grading Tough, Weevily, or Ergoty, shall not be eligible, except that wheat represented by warehouse receipts grading tough or weevily will be eligible if the warehouseman certifies on the supplemental certificate or on a statement attached to the warehouse receipt "That wheat grading 'tough' or 'weevily' has been processed at the request of the eligible producer, and that delivery will be made of the same country-run quality, quantity, grade and protein (if any), not tough or weevily, and no lien for processing will be claimed by the warehouseman from Commodity Credit Corporation or any subsequent holder of said warehouse receipt."

(e) If offered as security for a farm-storage loan, the wheat must have been stored in the granary at least 30 days prior to its inspection for measurement, sampling, and sealing, unless otherwise approved by the PMA State committee.

§ 601.1214 Warehouse receipts. Warehouse receipts, representing wheat in

RULES AND REGULATIONS

approved warehouse storage to be placed under loan or delivered under a purchase agreement, must meet the following requirements of this section:

(a) Warehouse receipts must indicate that the wheat is insured, must be issued in the name of the producer, must be properly endorsed in blank so as to vest title in the holder and must be issued by a warehouse approved by CCC under the Uniform Grain Storage Agreement, or warehouses operated by Eastern common carriers under tariffs approved by the Interstate Commerce Commission for which custodian agreements are in effect.

(b) Each warehouse receipt or the warehouseman's supplemental certificate (in duplicate) properly identified with the warehouse receipt must show: (1) Gross weight or bushels, (2) class and subclass, (3) grade (including special grades), (4) test weight, (5) dockage, (6) protein content (where determined by protein analysis or station average), (7) for wheat grading No. 3 or better, any other grading factor(s) when such factor(s), and not test weight, determine the grade, and (8) for wheat grading No. 4, No. 5, or Sample, all grading factors whether or not such factors determine the grade.

Also, the warehouse receipt or the warehouseman's supplemental certificate must show whether the wheat arrived by rail, truck, or barge. In the case of warehouse receipts issued for wheat delivered by rail or barge, the grading factors, classes and subclasses, protein content (where determined by protein analysis) on the warehouse receipt must agree with the inbound inspection certificates for the car or barge when such certificates are issued.

(c) In the case of warehouse receipts issued for wheat delivered by rail or barge, the protein content, as determined by a recognized protein testing laboratory, must be shown on each warehouse receipt (or supplemental certificate accompanying the warehouse receipt) representing wheat of the subclasses of hard red spring and hard red winter and the varieties of Early Baart and Bluestem of the subclass hard white wheat, except that protein content need not be shown for the subclasses hard winter, and yellow hard winter produced in States or areas tributary to markets where a showing of protein content is not customarily required.

(d) A separate warehouse receipt must be submitted for each grade and subclass of wheat.

(e) The warehouse receipt may be subject to liens for warehouse charges only to the extent indicated in § 601.1219.

(f) Warehouse receipts representing wheat which has been shipped by rail or water from a country shipping point to a designated terminal point or shipped by rail or water from a country shipping point to a storage point and stored in transit to a designated terminal point, must be accompanied by registered freight bills, or by (1) a statement as indicated below signed by the warehouse-

man, (2) a certificate of the warehouseman containing such information or (3) such form of certificate as may be approved by CCC.

FREIGHT CERTIFICATE

The wheat represented by attached warehouse receipt No. _____ issued by _____ on warehouse located at _____ was received by rail freight from _____

(Station)
_____ point of origin as
(County) (State)

evidenced by freight bill described as follows:

Way-bill, date _____

No. _____

Car initials and No. _____

Freight bill, date _____

No. _____

Origin carrier _____

Full inbound route and junction points _____

Transit weight _____

Freight rate in _____

Amount collected _____

Guaranteed transit balance, if any, of _____

through freight to _____ of _____ per 100

pounds _____

Number unused transit stops _____

Penalty, if any, to guarantee minimum

proportional rate on outbound billing of _____

cents per 100 pounds _____

Where paid-in freight is based on other

than domestic interstate freight rate basis,

the difference in rates between the freight

paid (plus tax), and the domestic interstate

freight rate (plus tax), is _____

The above-described paid freight bill has

been officially registered for transit and will

be held in accordance with the applicable

provisions of the Uniform Grain Storage

Agreement.

(Warehouseman's signature) _____

(Address) _____

(Date of signature) _____

§ 601.1215 *Determination of quantity.*

The quantity of wheat placed under

farm-storage loan may be determined

either by weight or by measurement.

The quantity of wheat placed under a

warehouse-storage loan or delivered

under a farm-storage loan or under a

purchase agreement shall be determined

by weight.

When the quantity is determined by

weight, a bushel shall be 60 pounds of

wheat free of dockage. In determining

the quantity of sacked wheat by weight,

a deduction of $\frac{3}{4}$ of a pound for each

sack shall be made.

When the quantity of wheat is deter-

mined by measurement, a bushel shall

be 1.25 cubic feet of wheat testing 60

pounds per bushel. The quantity deter-

mined shall be the following percentages

of the quantity determined for 60 pound

wheat:

For wheat testing Percent

65 pounds or over _____ 108

64 pounds or over, but less than 65 _____ 107

63 pounds or over, but less than 64 _____ 105

62 pounds or over, but less than 63 _____ 103

61 pounds or over, but less than 62 _____ 102

60 pounds or over, but less than 61 _____ 100

59 pounds or over, but less than 60 _____ 98

pounds _____

For wheat testing	Percent
58 pounds or over, but less than 59 pounds	97
57 pounds or over, but less than 58 pounds	95
56 pounds or over, but less than 57 pounds	93
55 pounds or over, but less than 56 pounds	92
54 pounds or over, but less than 55 pounds	90
53 pounds or over, but less than 54 pounds	88
52 pounds or over, but less than 53 pounds	87
51 pounds or over, but less than 52 pounds	85
50 pounds or over, but less than 51 pounds	83

The percentage of dockage shall be determined and the weight of such dockage shall be deducted from the gross weight of the wheat in determining the net quantity available for loan or purchase.

§ 601.1216 *Determination of quality.*

The class, subclass, grade, grading factors, and all other quality factors shall be determined in accordance with the methods set forth in the Official Grain Standards of the United States for Wheat, whether or not such determinations are made on the basis of an official inspection.

In the States of California, Idaho, New Mexico, Nevada, Oregon, Utah, and Washington, and in counties in Montana where it is common practice to determine smut on a percentage basis, the quantity of smut shall be stated in terms of half percent, whole percent, or whole and half percent, and the quantity of smut so determined in pounds shall be deducted from the weight of the wheat after deduction of dockage. Elsewhere, the smut condition of the wheat shall be determined on a degree basis. Where applicable, the words "light smutty" or "smutty" shall be added to, and made a part of, the grade designation.

The garlic condition of the wheat shall be made a part of the grade designation by addition of the words "light garlicky" or the word "garlicky."

§ 601.1217 *Maturity of loans.* Loans mature on demand but not later than April 30, 1952.

§ 601.1218 *Determination of support rates.* Basic support rates for wheat will be set forth in 1951 C. C. C. Grain Price Support Bulletin 1, Supplement 2, Wheat, and will be established for No. 1 dark hard winter, No. 1 hard winter, No. 1 yellow hard winter, No. 1 red winter, No. 1 western red, No. 1 soft white, No. 1 white club, No. 1 western white, No. 1 hard white, No. 1 heavy dark northern spring, No. 1 heavy northern spring, No. 1 heavy red spring, No. 1 hard amber durum, No. 1 amber durum, and No. 1 durum. These support rates will be established for wheat stored in approved warehouse storage at designated terminal markets, and for wheat stored in approved country warehouses and in approved farm storage. The support rate for the quality of wheat placed under a loan or delivered under a purchase agreement shall be the applicable basic sup-

port rate adjusted in accordance with the provisions of this section.

(a) *Support rates at designated terminal markets.* (1) Wheat eligible for loan or purchase at the support rate established for designated terminal markets must have been shipped on a domestic interstate freight rate basis. On any wheat shipped at other than the domestic interstate freight rate, the support rate at the designated terminal market shall be reduced by the difference between the freight paid (plus tax) and the domestic interstate freight rate (plus tax).

The support rates established for designated terminal markets apply to wheat which has been shipped by rail or water from a country shipping point to one of the designated terminal markets, as evidenced by paid freight bills duly registered for transit privileges: *Provided*, That in the event the amount of paid-in freight is insufficient to guarantee the minimum proportional domestic interstate freight rate from the terminal market, there shall be deducted from the applicable terminal support rate the difference between the amount of freight actually paid in and the amount required to be paid in to guarantee outbound movement at the minimum proportional domestic interstate freight rate.

(2) When shipped by rail or water and stored at any designated terminal market, except the terminal markets listed in subparagraph (3) of this paragraph, wheat for which neither registered freight bills nor such freight certificates are presented to guarantee outbound movement at the minimum proportional domestic interstate freight rate, shall have a support rate equal to the terminal rate minus 8 cents per bushel.

For wheat received by truck and stored at any designated terminal market, except the terminal markets listed in subparagraph (3) of this paragraph, the support rate shall be determined by making a deduction from the terminal rate as follows:

Terminal located in—	Amount of deduction (cents per bushel)
Area I: Arizona, California, Idaho, Minnesota, Montana, Nevada, North Dakota, Oregon, South Dakota, Washington, Utah.....	12½
Area II: Colorado, Illinois, Iowa, Kansas, Missouri, Nebraska, Wyoming, Wisconsin.....	13
Area III: Connecticut, Delaware, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia.....	14
Area IV: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas.....	14

(3) When shipped by rail or water and stored at any of the following terminal markets: Galveston, Houston, Texas; Los Angeles, San Francisco, Oakland, California; Philadelphia, Pennsylvania; Portland, Astoria, Oregon; Seattle, Longview, Tacoma, Vancouver, Washington;

Baltimore, Maryland; New Orleans, Louisiana; Norfolk, Virginia; wheat for which neither registered freight bills nor such freight certificates are presented to guarantee outbound movement at the minimum proportional domestic interstate freight rate, shall have a support rate equal to the applicable terminal rate.

For wheat received by truck and stored at any of the above terminal markets, the support rate shall be determined by making a deduction from the terminal rate as follows:

Terminal	Amount of deduction (cents per bushel)
Los Angeles, San Francisco, and Oakland, Calif.; Portland and Astoria, Oreg.; Seattle, Longview, Tacoma, and Vancouver, Wash.....	4½
New Orleans, La.; Baltimore, Md.; Philadelphia, Pa.; Galveston and Houston, Tex.; Norfolk, Va.....	6

(b) *Support rates for wheat in approved warehouse storage at other than designated terminal markets.* (1) Except for the States designated in subparagraph (2) of this paragraph, the support rate for wheat stored in approved warehouses (other than those situated in the designated terminal markets) which is shipped by rail or water shall be determined by deducting from the appropriate designated terminal market rate an amount equal to the transit balance, if any (plus tax) of the through-freight rate from point of origin for such wheat to such terminal market: *Provided*, That in the case of wheat stored at any railroad transit point, taking a penalty by reason of out-of-line movement, or for any other reason, to the appropriate designated market, there shall be added to such transit balance an amount equal to any out-of-line costs or other costs incurred in storing wheat in such position.

(2) In the States of Delaware, Kentucky, Maryland, New Jersey, North Carolina, Tennessee, Virginia and West Virginia, the PMA commodity office shall, upon request of the county committee, determine the support rate for wheat stored in approved warehouses (except those situated at designated terminal markets) which was shipped by rail in the movement of natural market direction as approved by CCC, by adding to the county rate for the county from which the wheat was shipped an amount per bushel equal to the receiving and loading-out charges computed in accordance with the applicable rates of the Uniform Grain Storage Agreement for the 1951 crop and an amount equal to the transit value of the freight paid (plus tax) from points of origin to markets designated by CCC. The warehouse receipts must be accompanied by the original paid freight bills or certificates of the warehouseman and other required documents as set forth in § 601.1214 (f). If the wheat is stored in approved warehouses located at transit points, taking a penalty by reason of backhaul, or out-of-line of natural mar-

ket movements, such penalty or other costs by reason of such movement, as determined by CCC, shall be deducted from the support rates as determined in this paragraph.

(c) *Discounts and premiums.* The basic support rates shall be adjusted by all applicable premiums and discounts listed in this paragraph, to determine the support rate for wheat of different classification and quality.

(1) *Classification discounts.*

	Cents per bushel
Mixed wheat.....	2
Red durum.....	15
Mixed wheat (containing less than 5 percent of wheats of the classes durum and/or red durum).....	2
Mixed wheat (containing 5 percent or more but less than 10 percent of wheats of the classes durum and/or red durum).....	6
Mixed wheat (containing in excess of 10 percent of wheats of the classes durum and/or red durum).....	15
Mixed wheat grading amber mixed durum.....	5
Mixed wheat grading mixed durum....	10

(2) *Grade discounts.*

No. 1 heavy dark northern spring, No. 1 heavy northern spring, No. 1 heavy red spring	Cents per bushel	No. 1 dark hard winter, No. 1 hard winter, No. 1 yellow hard winter, No. 1 red winter, No. 1 western red, No. 1 hard white, No. 1 soft white, No. 1 white club, No. 1 western white, No. 1 hard amber durum, No. 1 amber durum, No. 1 mixed durum, No. 1 red durum, No. 1 mixed wheat
No. 1 (not heavy).....	1	0
No. 2.....	2	1
No. 3.....	4	3
No. 4 on basis of test weight.....	6	6
No. 5 on basis of test weight.....	9	9
No. 4 or No. 5 because of containing durum and/or red durum.....	6	6
Total damaged kernels: ¹		
7.1—8 percent.....	1	1
8.1—9 percent.....	2	2
9.1—10 percent.....	3	3
10.1—11 percent.....	4	4
11.1—12 percent.....	5	5
12.1—13 percent.....	6	6
13.1—14 percent.....	7	7
14.1—15 percent.....	8	8
<i>Smut-degree basis</i>		
Light smutty.....	2	2
Smutty.....	6	6
<i>Smut-percentage basis</i>		
¼ of 1 percent.....	1	1
1 percent or over.....	3	3
<i>Garlic-degree basis</i>		
Light garlicky.....	6	6
Garlicky.....	15	15

¹ The discount for total damaged kernels shall be in addition to any applicable classification and grade discounts. If the wheat grades No. 4 or No. 5 because of the factor total damaged kernels, but otherwise grades No. 3 or better, the discount for total damaged kernels shall be in addition to the applicable discount for grade No. 3.

(3) Protein premiums.

Protein content (percent)	Wheat stored in the States of Ariz., Calif., Idaho, Nev., Oreg., Utah, Wash., and designated counties in Mont. based on Portland hard red spring; hard red winter; hard white wheat of the varieties Early Baart and Bluestem	All other States and counties in Mont. based on Minneapolis	
		Hard red spring	Hard red winter
	Cents per bushel	Cents per bushel	Cents per bushel
10.0-10.9.....	1	0	0
11.0-11.9.....	2	0	0
12.0-12.9.....	3	0	0
13.0-13.9.....	4	1	1
14.0-14.9.....	4½	2	1½
15.0-15.9.....	5	3	2
16.0-16.9.....	6	4	2½
17.0-17.4.....	7	5	3
18.0-18.4.....	8	6	3½
19.0-19.4.....	9	7	4
20.0-20.4.....	10	8	4½
Over 20.4.....	(1)	(1)	(1)

1 cent for each ½ percent of protein over 17.4 percent.
 ½ cent for each ½ percent of protein over 17.4 percent.

(4) Wheat of any class containing not in excess of 14 percent moisture which

(i) grades No. 4 or No. 5 on the factor of foreign material and/or heat damage, or (ii) grades Sample, but is not musty, sour, heating or hot, shall be discounted 80 cents per bushel from the applicable basic terminal, county, or State rate. The discounts and premiums set forth in subparagraphs (1), (2) and (3) of this paragraph will not be applicable to wheat of this quality.

§ 601.1219 Warehouse charges. (a) Warehouse receipts and the wheat represented thereby stored in approved warehouses operating under the Uniform Grain Storage Agreement may be subject to liens for warehouse handling and storage charges not to exceed the Uniform Grain Storage Agreement rates from the date the wheat is deposited in the warehouse for storage.

(b) Where the date of deposit (the date of the warehouse receipt if the date of deposit is not shown) on warehouse receipts representing wheat stored in warehouses operating under the Uniform Grain Storage Agreement is on or before April 30, 1952, the amount of the loan or purchase price shall be discounted by the applicable storage charges per bushel shown in the following table:

Date of deposit	Area I	Area II	Area III	Area IV
	Ariz., Calif., Idaho, Minn., Mont., Nev., N. Dak., Oreg., S. Dak., Wash., Utah	Colo., Ill., Iowa, Kans., Mo., Nebr., Wyo., Wis.	Conn., Del., Ind., Ky., Maine, Md., Mass., Mich., N. H., N. J., N. Y., Ohio, Pa., R. I., Va., W. Va.	Ala., Ark., Fla., Ga., La., Miss., N. Mex., N. C., Okla., S. C., Tenn., Tex.
	Cents per bushel	Cents per bushel	Cents per bushel	Cents per bushel
Prior to Sept. 3, 1951.....	10	10½	11	11½
Sept. 3-Sept. 22, inclusive.....	10	10½	11	11
Sept. 23-Oct. 12, inclusive.....	10	10	10	10
Oct. 13-Nov. 1, inclusive.....	9	9	9	9
Nov. 2-Nov. 21, inclusive.....	8	8	8	8
Nov. 22-Dec. 11, inclusive.....	7	7	7	7
Dec. 12-Dec. 31, inclusive.....	6	6	6	6
Jan. 1-Jan. 20, inclusive, 1952.....	5	5	5	5
Jan. 21-Feb. 4, inclusive.....	4	4	4	4
Feb. 5-Mar. 1, inclusive.....	3	3	3	3
Mar. 2-Mar. 21, inclusive.....	2	2	2	2
Mar. 22-Apr. 30, inclusive.....	1	1	1	1
Apr. 11-Apr. 30, inclusive.....	0	0	0	0

(c) Warehouse receipts and the wheat represented thereby stored in approved warehouses operated by Eastern common carriers may be subject to liens for warehouse elevation (receiving and delivering) and storage charges from the date of deposit at rates approved by the Interstate Commerce Commission.

(d) For wheat stored in approved warehouses operated by Eastern common carriers, the amount of the loan or purchase price, except as provided in paragraph (c) (2) of § 601.1220, shall be discounted by the amount of the approved tariff rates for storage (not including elevation), which will accumulate from the date storage charges begin to the program maturity date. The county committee shall request the PMA commodity office to determine the amount of such charges. Where the producer presents evidence showing that the elevation has been prepaid, the amount of the storage charges determined above shall be reduced by the amount of the elevation charge prepaid by the producer.

§ 601.1220 Settlement—(a) Farm-storage loans. (1) In the case of wheat delivered to CCC from farm storage under the loan program, settlement shall be made at the applicable support rate for the approved point of delivery. Settlement shall be made at the support rate for the grade and quality of the total quantity of wheat delivered except as set forth in subdivisions (i) and (ii) of this subparagraph:

(i) Irrespective of the provisions of the mortgage supplement, if the wheat, when placed under loan, grades No. 3 or better, or grades No. 4 or No. 5 because of one or more of the factors test weight, total damaged kernels, or durum and/or red durum (but otherwise No. 3 or better), and if upon delivery, the wheat grades No. 4 or No. 5 because of the factors foreign material and/or heat damage, or if upon delivery it grades Sample, settlement shall be made at the support rate established for the grade and/or quality of the wheat placed under loan less the difference, if any, at the time of delivery, between the market price for the grade

and/or quality placed under loan and the market price of the wheat delivered, as determined by CCC.

(ii) If the wheat, when placed under loan, contains not in excess of 14 percent moisture and grades No. 4 or No. 5 because of the factors foreign material and/or heat damage, or it grades Sample except that it is not musty, or sour, or heating or hot; and if upon delivery the wheat contains in excess of 14 percent moisture, or if upon delivery it grades Sample because it is musty, or sour, or heating or hot, settlement shall be made at the support rate established for the grade and/or quality of the wheat placed under loan less the difference, if any, at the time of delivery, between the market price for the grade and/or quality placed under loan and the market price of the wheat delivered, as determined by CCC.

(2) If farm-stored wheat is delivered to CCC prior to April 30, 1952, upon request of the producer and with the approval of CCC, the loan settlement shall be reduced as set forth in the table in § 601.1219.

(b) Warehouse-storage loans. (1) In the case of warehouse receipts issued on a warehouse approved under the Uniform Grain Storage Agreement, CCC Form 25, if the warehouse loan is not redeemed and the warehouse receipt or the accompanying supplemental certificate contains a statement in substantially the following form "Full storage charges, not including receiving charges, paid through April 30, 1952, \$-----," a refund in the amount of the smaller of (i) the storage charges prepaid by the producer, or (ii) the amount of the storage charges deducted at the time the loan was completed, will be made to the producer by the PMA commodity office.

(2) For wheat stored in approved warehouses operated by Eastern common carriers, if the warehouse loan is not redeemed and the supplemental certificate and delivery order contains a statement in substantially the following form "Full storage charges paid through April 30, 1952, \$-----," a refund will be made to the producer by the PMA commodity office of the amount of storage deducted at the time the loan was completed plus any elevation charge which was prepaid by the producer and for which he was given credit at the time the loan was completed.

(c) Purchase agreement. (1) Wheat delivered to CCC under a purchase agreement must meet the requirements of wheat eligible for loan. The purchase rate per bushel of eligible wheat shall be the support rate established for the approved point of delivery, subject to deduction of warehouse charges in accordance with § 601.1219, except as provided in subparagraph (2) of this paragraph.

In the case of warehouse receipts issued on a warehouse approved under the Uniform Grain Storage Agreement, CCC Form 25, if the warehouse receipt or the accompanying supplemental certificate representing wheat stored in the warehouse contains a statement in substantially the following form "Full storage charges, not including receiving charges, paid through April 30, 1952, \$-----," the producer shall be given

credit for the smaller of (i) the storage charges prepaid by the producer, or (ii) the amount of the warehouse storage charges determined according to the time of deposit as outlined in § 601.1219 at the time the settlement value of the commodity delivered is determined.

(2) For wheat stored in approved warehouses operated by Eastern common carriers, if the supplemental certificate and delivery order representing wheat stored in the warehouse contains a statement in substantially the following form "Full storage charges paid through April 30, 1952, \$-----," no deduction for storage shall be made from the support rate at the time the settlement value of the commodity delivered is determined. The producer shall be given credit for the amount of any elevation charge prepaid at the time the settlement value of the commodity delivered, is determined, if he presents evidence showing such prepayment.

(d) *Track-loading.* A track-loading payment of 2 cents per bushel shall be made to the producer on wheat delivered to CCC on track at a country point.

Issued this 11th day of October 1951.

[SEAL] **ELMER F. KRUSE,**
Vice President,
Commodity Credit Corporation.

Approved:

HAROLD K. HILL,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 51-12393; Filed, Oct. 15, 1951;
8:58 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

[T. D. 45]

PART 466—SEIZURES, FORFEITURES, AND DISPOSITION OF VESSELS, VEHICLES AND AIRCRAFT UNDER THE ACT OF AUGUST 9, 1939

DISTRICT 49, PUERTO RICO; CUSTODY

Order of the Secretary of the Treasury relating to the Collector of Customs for District No. 49 (Puerto Rico).

The order of the Secretary of the Treasury issued August 31, 1939 (26 CFR Part 466) relating to enforcement of the act of August 9, 1939 (53 Stat. 1291; 49 U. S. C. 781-788) is amended by adding at the end of § 466.2 the following two paragraphs:

§ 466.2 *Custody.* . . .

The Collector of Customs for District No. 49 is hereby authorized and designated to adopt seizures of such vessels, vehicles, and aircraft as may be subject to seizure in Puerto Rico, under said act as amended, when the seizure is made in connection with a violation involving a contraband article covered by section 1 (b) (1) of the said act, as amended. The Collector of Customs for District No. 49 is hereby authorized and designated to hold in custody, awaiting disposition pursuant to the provisions of

the said act of August 9, 1939, as amended, vessels, vehicles, and aircraft seized in Puerto Rico, under said act, as amended, when the seizure is made in connection with a violation involving a contraband article covered by section 1 (b) (1) of the said act, as amended.

This order shall take effect upon publication in the FEDERAL REGISTER. The order is issued under the authority contained in sections 3 and 4 of the act of August 9, 1939.

(53 Stat. 1292; 49 U. S. C. 783, 784)

[SEAL] **E. H. FOLEY,**
Acting Secretary of the Treasury.

OCTOBER 8, 1951.

[F. R. Doc. 51-12379; Filed, Oct. 15, 1951;
8:56 a. m.]

TITLE 30—MINERAL RESOURCES

Chapter II—Geological Survey, Department of the Interior

PART 223—APPROVAL OF SALES AGREEMENTS OR CONTRACTS COVERING THE DISPOSAL OF OIL AND GAS LEASE PRODUCTS (NOT APPLICABLE TO INDIAN OR NAVAL PETROLEUM RESERVE LANDS)

Part 223 is revised to read as follows:

Sec.

223.1 What this part does.

223.2 Filing of contracts.

223.3 Contracts made pursuant to new form leases.

223.4 Contracts made pursuant to old form leases.

223.5 Requests for approval.

223.6 Pending contracts.

223.7 Appeals.

AUTHORITY: §§ 223.1 to 223.7 issued under R. S. 161, sec. 32, 41 Stat. 450, sec. 10, 61 Stat. 915, 5 U. S. C. 22, 30 U. S. C. 189, Sup. 359.

§ 223.1 *What this part does.* This part prescribes the procedure for the filing, and approval when required, of sales agreements or contracts made by lessees or their operators covering the disposal of products from oil and gas leases on public domain lands and acquired lands of the United States.

§ 223.2 *Filing of contracts.* Copies of all contracts or agreements, whether or not approval is required or requested as hereinafter provided, must be filed in duplicate with the oil and gas supervisor of the Geological Survey not later than 30 days after the effective date thereof.

§ 223.3 *Contracts made pursuant to new form leases.* On November 29, 1950, a new form of lease was adopted (Form 4-1158, 15 F. R. 8585), containing provisions whereby the lessee agrees that nothing in any contract or other arrangement made for the sale or disposal of oil, gas, natural gasoline, and other products of the leased land, shall be construed as modifying any of the provisions of the lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the oil and gas operat-

ing regulations. A contract or agreement pursuant to a lease containing such provisions may be made without obtaining approval of the United States as lessor, but must be filed as provided in § 223.2.

§ 223.4 *Contracts made pursuant to old form leases.* (a) Old form leases are those containing provisions prohibiting sales or disposal of oil, gas, natural gasoline, and other products of the lease except in accordance with a contract or other arrangement approved by the Secretary of the Interior, or by the Director of the Geological Survey or his representative. A contract or agreement made pursuant to an old form lease may be made without obtaining approval if the contract or agreement either contains the substance of or is accompanied by the stipulation set forth in paragraph (b) of this section, signed by the seller (lessee or operator).

(b) The stipulation the substance of which must be included in the contract, or be made the subject matter of a separate instrument properly identifying the leases affected thereby, is as follows:

It is hereby understood and agreed that nothing in the within contract or in any approval thereof shall be construed as affecting any of the relations between the United States and its lessee, particularly in matters of gas waste, taking royalty in kind and the method of computing royalties due as based on a minimum valuation and in accordance with the terms and provisions of the oil and gas operating regulations applicable to the lands covered by said contract.

(c) A contract or agreement not containing the substance of nor accompanied by the stipulation set forth in paragraph (b) of this section may, if the provisions thereof are otherwise acceptable, be approved by the oil and gas supervisor subject to the condition that nothing in such contract or agreement or in the approval thereof shall be construed as affecting any of the relations between the United States and its lessee, including, but not limited to, the matters enumerated in paragraph (b) of this section.

§ 223.5 *Requests for approval.* A contract or agreement coming within the provisions of § 223.3 or § 223.4 (a) may be approved by the oil and gas supervisor if request for approval is made by the seller and the provisions thereof are acceptable.

§ 223.6 *Pending contracts.* Contracts filed but not acted upon before the effective date of this revision shall be acted upon in accordance with the regulations as herein revised.

§ 223.7 *Appeals.* An appeal may be taken as provided in § 221.66 from any action of the oil and gas supervisor under the regulations in this part.

OSCAR L. CHAPMAN,
Secretary of the Interior.

SEPTEMBER 27, 1951.

[F. R. Doc. 51-12377; Filed, Oct. 15, 1951;
8:56 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter C—Military Education

PART 541—ARMY OFFICER CANDIDATE COURSES

REVISION OF PART

Part 541 is revised to read as follows:

Sec.

- 541.1 Purpose.
- 541.2 Mission.
- 541.3 Information.
- 541.4 Enlistment and agreement to active duty.
- 541.5 Eligibility requirements.
- 541.6 Physical requirements.
- 541.7 Ineligibles.
- 541.8 Submission of applications.

AUTHORITY: §§ 541.1 to 541.8 issued under 41 Stat. 779, as amended; 10 U. S. C. 442.
SOURCE: AR 350-350 and SR 350-350-20, Sept. 25, 1951.

§ 541.1 *Purpose.* The regulations of this part prescribe the general policy for the selection of personnel for appointment as commissioned officers in the Army of the United States through attendance at an Army officer candidate course.

§ 541.2 *Mission.* The mission of the Army officer candidate course is to prepare selected individuals for duty as second lieutenants in the Army of the United States.

§ 541.3 *Information.* Detailed information pertaining to the Army officer candidate courses, application forms, and instructions for the preparation of application forms may be obtained from:

- (a) Any Army installation.
- (b) Commanding general of any continental army, major oversea command, and the Military District of Washington.
- (c) United States Army recruiting installation.
- (d) The Adjutant General, Department of the Army, Washington 25, D. C., ATTN: AGAO-R.

§ 541.4 *Enlistment and agreement to active duty.* (a) A 2-year enlistment in the Regular Army is authorized for qualified civilians who desire to enlist as officer candidate applicants.

(b) Qualified members of the other armed services may be enlisted for 2 years as officer candidate applicants, provided they have prior approval from the appropriate department and have been discharged to accept such enlistment.

(c) Qualified members of the National Guard of the United States or Organized Reserve Corps may volunteer for 2 years in the active military service as officer candidate applicants, provided they have a contract with their Reserve component for a term of service which will insure the completion of a 2-year active duty tour.

(d) Each applicant must agree to serve in the active military service for a minimum of 18 months subsequent to being commissioned, unless sooner relieved by a competent authority.

(e) Individuals who enlist or volunteer for active military service under paragraphs (a) (b) or (c) of this section, and who are not selected or who fail to graduate from an officer candidate

school will be required to serve the remaining portion of their enlistment or active duty contract.

§ 541.5 *Eligibility requirements—(a) Who may apply.* (1) Warrant officers and enlisted personnel of the Regular Army, or of the Organized Reserve Corps, National Guard of the United States, and Army of the United States in the active military service.

(2) Warrant officers and enlisted men of the National Guard of the United States not in the active Federal Service, provided they obtain a conditional release from the State adjutant general.

(3) Warrant officers and enlisted personnel of the Organized Reserve Corps not in the active military service.

(4) Civilians.

(5) A Regular or Reserve warrant officer or enlisted member of one of the other Armed Services of the United States who has obtained prior approval from the appropriate department.

(b) *Age.* (1) Male applicants must be at least 18 years and 6 months of age and must not have passed their twenty-eighth birthday at time of enrollment in an Army officer candidate course.

(2) Female applicants must be at least 20 years of age and not have passed their twenty-eighth birthday at time of enrollment in the Women's Army Corps officer candidate course.

(c) *Citizenship.* Applicants must be citizens of the United States, and must provide, in proof thereof, documentary evidence of birth. Applicants who are not citizens of the United States by birth must provide evidence of citizenship. This will be in the form of a sworn or attested certificate by an Army officer or a notary public, fully identifying the naturalization certificate by court, number, and date. Facsimiles or copies, photographic or otherwise, of naturalization certificate will not be made, as the reproducing of these certificates or any part thereof constitutes a statutory felony. See 62 Stat. 765; 18 U. S. C. 1426 (h).

(d) *Educational requirements.* (1) Male applicants must be graduates of a high school or school of similar level, or must pass the General Educational Development Test (high school level) of the United States Armed Forces Institute.

(2) Female applicants must attain a raw score of 123 or better on the Officer Educational Qualification Test (OEQT). However, a waiver may be granted by major commanders to those persons who possess at least 50 percent of the academic credits required for a baccalaureate degree from a recognized college or university.

(e) *Moral requirements.* Each applicant must have a high moral character.

§ 541.6 *Physical requirements.* Each applicant will be required to have completed a final type physical examination as prescribed in Army regulations and must meet the minimum requirements established for appointment in the Officers' Reserve Corps.

§ 541.7 *Ineligibles.* The following personnel are ineligible to apply for officer candidate training unless the disqualification is waived when such waiver is authorized:

(a) Those who are presently conscientious objectors. If an individual has been a conscientious objector he will be required to furnish an affidavit which will express his abandonment of such beliefs and principles so far as they pertain to his willingness to bear arms and to give full and unqualified military service to the United States, and where appropriate, he must have demonstrated that he has changed his views by subsequent military service.

(b) Those who have a record of conviction by any type of military or civil court for other than a minor traffic violation. No requests for waivers of conviction involving moral turpitude or conviction of a felony will be considered.

(c) Disloyal and subversive persons. No waivers will be granted.

(d) Those who have separated from any of the Armed Forces of the United States under any of the conditions set forth in § 571.2 (h) of this chapter. No waivers will be granted.

(e) Those who are, or have been, commissioned officers in any component of the Armed Forces. No waivers will be granted.

(f) Those who have been relieved from a prior enrollment in an Army officer candidate course. Requests for waivers for applicants who have been relieved from an Army officer candidate course will contain a statement giving the reason for relief.

(g) Those who previously applied for an Army officer candidate course but withdrew their applications prior to selection will not be permitted to reapply until 6 months have elapsed from date of original application. No waivers will be granted.

(h) Married female applicants without prior service. No waivers will be granted.

(i) Female applicants who have children; female applicants who have any legal or other responsibility for the custody, control, care, maintenance, or support of any child or children, including stepchild or foster child. No waivers will be granted.

§ 541.8 *Submission of applications.* An applicant from civil life or a member of one of the other Armed Forces will forward his or her application forms to the nearest United States Army Recruiting Main Station.

[SEAL]

WM. E. BERGIN,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 51-12340; Filed, Oct. 15, 1951;
8:46 a. m.]

TITLE 32A—NATIONAL DEFENSE,
APPENDIXChapter III—Office of Price Stabilization,
Economic Stabilization Agency

[Ceiling Price Regulation 14, Amdt. 9]

CPR 14—CEILING PRICES OF CERTAIN FOODS
SOLD AT WHOLESALEADJUSTMENT OF CEILING PRICES FOR CERTAIN
INSTITUTIONAL SELLERS

Pursuant to the Defense Production Act of 1950, as amended, E. O. 10161 (15)

F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this amendment 9 to Ceiling Price Regulation 14 is issued.

STATEMENT OF CONSIDERATIONS

This amendment to CPR 14 deals with institutional wholesalers and service wholesalers with separate institutional departments and changes section 28c of this regulation, which was added previously by Amendment 7. It allows those wholesalers who are applying for an additional allowance for performing certain services not generally performed by institutional wholesalers to establish compliance with the requirements of section 28c for either the calendar year 1950 or for their most recent fiscal year prior to May 1, 1951. The former restriction to the calendar year is felt to have imposed an unnecessary accounting burden upon applicants whose books are on a fiscal basis.

In view of the nature of this amendment, the Director did not consider it necessary or practicable to consult with representatives of industry.

AMENDATORY PROVISIONS

Ceiling Price Regulation 14 is amended in the following respects:

1. Section 28c (a) is amended by deleting from the first sentence the words "or if not in business during all of 1950 for your most recent fiscal year prior to May 1, 1951" and substituting the words "or for your most recent fiscal year prior to May 1, 1951."

2. Section 28c (b) is amended so that the first paragraph reads as follows: Your application must set forth the following for each warehouse for which the application for adjustment is filed for the calendar year 1950 or for your most recent fiscal year prior to May 1, 1951:

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment shall become effective on October 20, 1951.

MICHAEL V. DISALLE,

Director of Price Stabilization.

OCTOBER 15, 1951.

[F. R. Doc. 51-12469; Filed, Oct. 15, 1951; 4:00 p. m.]

[Ceiling Price Regulations 14, Collation 1]

CPR 14—CEILING PRICES OF CERTAIN FOODS SOLD AT WHOLESALE.

COLL. 1—INCLUDING AMENDMENTS 1-8

Ceiling Price Regulation 14 is republished to incorporate the texts of Amendments 1 through 8, inclusive. Ceiling Price Regulation 14 was issued March 28, 1951 (16 F. R. 2725). Statements of Consideration for Ceiling Price Regulation 14, and for Amendments 1-8, inclusive, as previously published, are applicable to this republication. The effective dates of this regulation and the amendments are shown in a note preceding the first section of the regulation.

CONTENTS

ARTICLE I—GENERAL PROVISIONS

- Sec.
1. What this regulation does.
2. How you determine to which class your business belongs.

Sec.

3. How and when you figure ceiling prices.
4. Directions for applying the rule.
5. How you figure your ceiling price for "new" items.
6. New wholesalers.
7. How you figure your ceiling prices each week, starting Monday, May 14, 1951.
8. Indirect price increases prohibited.
9. Invoices and receipts.
10. Records.
11. Prohibitions.
12. Further provisions supplementing or explaining this regulation.

ARTICLE II—SPECIAL PRICING PROVISIONS

13. Additions to "net cost" for packaging.
14. Gift and holiday packages assembled by you.
15. Purchases and sales between wholesalers.
16. Items which you import.
17. How you figure your ceiling prices for foods you "manufacture or otherwise process."
18. How a retailer-owned cooperative wholesaler figures ceiling prices for sales to non-members.
19. How a service wholesaler figures ceiling prices for cash-and-carry sales.
20. How a service wholesaler figures ceiling prices for sales to commercial, industrial or institutional users.
21. How an institutional wholesaler figures ceiling prices for sales to retailers.
22. Addition allowed for deliveries by Class 1 and Class 2.
23. Addition allowed for deliveries outside of a base zone.
24. How you figure your "net cost" in certain cases.
25. Special pricing provisions for manufacturers selling some commodities at wholesale.

ARTICLE III—ADJUSTMENT PROVISIONS

26. How retailer-owned cooperative wholesalers may, under certain conditions, apply for permission to use the markup figures designated for other wholesalers.
- 26a. How a service fee wholesaler figures his ceiling prices.
27. How certain wholesalers may, under certain conditions, apply for permission to use the markup figures designated for service wholesalers.
- 27a. How certain wholesalers similar to wagon wholesalers may apply to use the provisions of the General Ceiling Price Regulation instead of the markups in this regulation for the purpose of establishing their ceiling prices for all items under this regulation except frozen foods.
- 27b. How certain wholesalers may, under certain conditions, apply for an additional allowance to cover cost of product promotion.
- 27c. How a service wholesaler may apply to use the same ceiling prices for his own, or exclusively controlled label or brand of food commodities covered by this regulation sold from his cash-and-carry and service departments.
28. How service wholesalers may, under certain conditions, apply for permission to use the markup figures designated for institutional wholesalers.
- 28a. How certain wholesalers may apply for permission to operate as service fee wholesalers.
- 28b. How certain wholesalers, selling mostly "specialty" food items may under specific conditions apply to be excluded from using the markups in this regulation for the purpose of establishing their ceiling prices.
- 28c. How institutional wholesalers or service wholesalers with a separate institutional department may, under certain conditions, apply for an additional allowance for performing certain services not generally performed by institutional wholesalers.

ARTICLE IV—MISCELLANEOUS PROVISIONS

Sec.

29. Transfer of business and stock in trade.
30. Taxes.
31. Export sales.
32. Relation to other regulations.
33. Definitions.
34. Geographical applicability.

ARTICLE V—TABLE AND COMMODITY DEFINITIONS

35. Table of markup figures.

AUTHORITY: Sections 1 to 35 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Sup.

DERIVATION: Sections 1-35 contained in Ceiling Price Regulation 14, March 28, 1951 (16 F. R. 2725), except as otherwise noted in brackets following texts affected.

EFFECTIVE DATES: CPR 14, April 5, 1951, 16 F. R. 2725. Amendment 1, April 27, 1951, 16 F. R. 3650. Amendment 2, May 10, 1951, 16 F. R. 4435. Amendment 3, May 18, 1951, 16 F. R. 4685. Amendment 4, July 18, 1951, 16 F. R. 6798. Amendment 5, August 27, 1951, 16 F. R. 8452. Amendment 6, September 1, 1951, 16 F. R. 8674. Amendment 7, September 4, 1951, 16 F. R. 8824. Amendment 8, September 22, 1951, 16 F. R. 9468.

ARTICLE I—GENERAL PROVISIONS

SECTION 1. What this regulation does. This regulation fixes new ceiling prices for the foods listed in Table A for wholesalers selling these food products. These new ceiling prices are to be used on and after May 14, 1951, instead of the ceiling prices figures under any other price regulation or order issued by the Office of Price Stabilization (hereinafter called OPS), and regardless of any contract or any other law.

[Sec. 1 amended by Amdt. 1]

SEC. 2. How you determine to which class your business belongs—(a) What wholesalers are covered. Your business is classified under this regulation, if, prior to the effective date of the regulation you were and still are a wholesaler, the larger part of whose food sales are of food products which you purchase for resale and distribute from your warehouse without materially changing their form, to independent retail stores, or to commercial, industrial or institutional users. This regulation does not apply, however, to "wagon wholesalers," "flour jobbers," Great Lakes marine suppliers, or to sales of "cookies, crackers, toast and crumbs" by "cookie and cracker wholesalers."

(b) Classes of wholesalers. Wholesalers covered by this regulation are defined as follows:

(1) Class 1: retailer-owned cooperative wholesaler. You are a retailer-owned cooperative wholesaler if you are either a non-profit organization or a corporation 51 percent of the stock of which is owned by your independent retailer customers.

(2) Class 2: cash-and-carry wholesaler. You are a cash-and-carry wholesaler if you are not in Class 1 and the larger part of your food sales were, prior to the effective date of this regulation, made without delivery, to independent retail stores, or if they were made with delivery you made a charge for delivery to all customers.

(3) Class 3: service wholesaler. You are a service wholesaler if you are not in Class 1 and the larger part of your food sales were, prior to the effective date of

RULES AND REGULATIONS

this regulation, and still are made, to independent retail stores, with delivery to all customers in a base zone without charge.

(4) *Class 4: institutional wholesaler.* You are an institutional wholesaler if you are not in Class 1 and the larger part of your food sales were, prior to the effective date of this regulation, and still are made to commercial, industrial or institutional users. For the purposes of this regulation "marine provisioners" shall be considered institutional wholesalers. (If you do business in more than one of the ways outlined above, see sections 18, 19, 20, and 21.)

(c) *When you must notify OPS of the class in which you operate.* Within 30 days after the issuance of this regulation, you must notify, the OPS District office for your area, of your class of wholesaler, using OPS Public Form No. 4 which you may obtain from the OPS District office for your area.

SEC. 3. How and when you figure ceiling prices—(a) General Rule. Your ceiling price for each item (that is, for each kind, brand, grade, variety, container type and container size) of food listed in Table A shall be the result of (1) the "net cost" you had to pay for the most recent delivery of the item to you before May 14, 1951, multiplied by (2) the mark-up figure given you for it in Table A.

[Paragraph (a) amended by Amdt. 1]

(b) *When you must figure your ceiling prices.* By the opening of business on May 14, 1951, you must have figured your ceiling price for each item of food covered by this regulation which you have in stock at that time. Between April 5, 1951, and May 14, 1951, you may put into effect the new ceiling price on any item as soon as you figure it; you must put the new ceiling prices into effect on all items not later than May 14, 1951. If you do not put the new price for an item into effect before May 14, 1951, you must continue to use your existing ceiling for that item until May 14, 1951. If you receive delivery of any item between April 5, 1951, and May 14, 1951, for which you have no ceiling price, you must, before selling it, figure your ceiling price according to the rules of this regulation.

[Paragraph (b) amended by Amdt. 1]

(c) *Special rule for certain items of the 1950 pack.* If, in the case of any item of the 1950 pack of food commodity groups 8, 10, 11, 12, 13, 32, and 33 in Table A, your last purchase of the particular item was made prior to January 26, 1951, you may continue to use your legal ceiling price for such item under the General Ceiling Price Regulation until you receive delivery of a purchase made after that date. When you receive delivery of such a purchase, you must figure your ceiling price for the item in accordance with the provisions of this regulation.

SEC. 4. Directions for applying the rule—(a) Net cost. To figure your ceiling price, first find the "net cost" of the item, based on its most recent delivery to you before May 14, 1951. Your "net cost" will be the amount you paid your supplier less all discounts except the discount for prompt payment and swell and label allowances, plus all transportation

charges you paid except local trucking and local unloading. This exception shall not apply to any shipments by water. In such cases, there may be added also as part of the cost of transportation the cost of moving the shipment from the place at which it was processed to the dock, the cost of unloading at that dock, wharfage, handling, tollage and usage charges, the cost of marine insurance, the cost of loading the goods on a car, truck or other conveyance at the port of discharge and the cost of transporting that shipment from the port of discharge to receiving point. However, costs of loading the shipment at the place at which it was processed, segregation charges and costs of unloading at receiving point may not be added. Treat as a separate item each kind, brand, grade, variety, container size and container type.

[Paragraph (a) amended by Amdts 1 and 4]

(1) Your net cost must be figured on purchases of a customary quantity from a customary type of supplier delivered to your usual receiving point by a customary means of delivery. Of course, you must never figure your net cost on a purchase made at a price higher than your supplier's ceiling.

(2) Figure the net cost of the unit in which you receive delivery (i. e., per dozen, per case, per bag, etc.) to the nearest cent.

(3) For items you "manufacture or otherwise process" use the special rules in section 17.

(b) *Mark-up.* Turn to Table A to find the mark-up figure for the item given your class of wholesaler. Table A lists all the items covered by this regulation by commodity groups.

(c) *Ceiling price.* Next multiply your "net cost" by the mark-up figure in Table A for your class of wholesaler for the item being priced. The resulting amount will be your ceiling price. You must not change this ceiling price except in accordance with section 7.

(d) *Fractions.* All calculations of ceiling prices resulting in a fraction of a cent shall be reduced to the nearest lower cent if the fraction is less than one-half cent, and shall be increased to the nearest higher cent if the fraction is one-half cent or more.

If you sell an amount less than the unit in which you receive delivery, you must reduce your ceiling price proportionately, rounding any fraction to the next higher cent.

(e) *Invoices.* You must write your net cost per unit of the purchase on which you have figured your ceiling price either on your invoice or other record of the price you paid for the item or on a separate slip of paper and attached to that invoice or other record.

You must keep separate, or mark or tag plainly, all invoices or records showing the "net cost" of the unit in which you received delivery and which you used in figuring your ceiling prices. The invoices and records you used in figuring your ceiling prices are your means of proving that your ceiling prices are right.

SEC. 5. How you figure your ceiling price for "new items". (a) A "new item" is any item which you did not have in stock at the opening of business on May 14, 1951. You must figure your ceiling price for a "new item" before selling it,

following the rules in Section 4, basing your "net cost," however, on the first delivery of the item to you on or after May 14, 1951.

[Paragraph (a) amended by Amdt. 1]

In pricing new items it is a violation to use the "net cost" of a first purchase made in a non-customary manner (that is, from a non-customary supplier or in a non-customary manner) when you know that you will be making future purchases in a customary manner. If your first purchase is of this type you must find out and use, in figuring your ceiling price, what the "net cost" would be of a purchase from a type of supplier usually used for a similar item and of an amount in which a similar item is usually purchased.

SEC. 6. New wholesalers. If, on or after May 14, 1951, you begin to operate as a wholesaler as defined in section 2, you are subject to this regulation, and as such a new wholesaler you must figure all your ceiling prices for all sales of food items covered by this regulation in accordance with the following provisions.

[Paragraph above amended by Amdt. 1]

(a) If you are a retailer-owned cooperative wholesaler, you must figure all of your ceiling prices for sales to members as a retailer-owned cooperative (Class 1) wholesaler and are subject to all of the provisions applicable to such a wholesaler.

(b) If you are not a retailer-owned cooperative wholesaler you must figure your ceiling prices in the following way:

(1) For sales to independent retail stores made without delivery, you shall use the markups applicable to a cash-and-carry (Class 2) wholesaler.

(2) For sales to independent retail stores made with delivery, you shall use the markups applicable to a service (Class 3) wholesaler.

(3) For sales to commercial, industrial or institutional users, you shall use the markups applicable to an institutional (Class 4) wholesaler.

(c) You must figure your ceiling price for an item before selling it, in accordance with section 4, basing your "net cost", however, on the first delivery of an item to you on or after the date you open your place of business subject to all of the provisions covering the sales of "new items" in section 5.

(d) For sales to retail stores which are not independent retail stores, and for sales to other wholesalers and all other sellers, your ceiling price for any item shall be your supplier's ceiling price for such item plus transportation charges to your usual receiving point.

[Paragraph (d) redesignated by Amdt. 2]

(e) Within 10 days after you become a new wholesaler under this section, you must notify the OPS District office for your area that you are operating under the provisions of this section.

(f) The provisions of this section may not be used by any person who, at the opening of business on May 14, 1951, was subject to this regulation, or by any person owned or controlled by any wholesaler who at the opening of business on April 30 was subject to this regulation.

[Paragraph (f) amended by Amdt. 1]

SEC. 7. How you figure your ceiling prices each week, starting Monday, May

14, 1951. Before making any sale of an item of "dry groceries" on each Monday after May 14, 1951, you must refigure your ceiling price for any item if your "net cost" of that item is different from the "net cost" on which your existing ceiling price is based. You must follow the rule in section 4 basing your "net cost," however, on the largest single delivery of a customary quantity received by you from your customary type of supplier during the seven days preceding Monday. If you cannot determine your "largest single delivery" because you have received more than one delivery of the same quantity, use the most recent of these deliveries.

[Sec. 7 amended by Amdt. 1]

SEC. 8. Indirect price increases prohibited. You must not evade any of the provisions of this regulation or any order issued pursuant to it, by any scheme or device. You must not, as a condition of selling any particular food item, require a customer to buy anything else. Any such evasion is punishable as a violation of this regulation.

You may not use an unnecessarily high "net cost" in figuring a ceiling price under this regulation. If you make such a high cost purchase, you must find out what your net cost, as used in Section 4, would be and use that net cost to figure your ceiling price.

SEC. 9. Invoices and receipts. You must give each of your customers an invoice, receipt or other evidence of purchase in connection with every sale, retaining a copy for your files. Each such record you prepare and give your customer must show the date of sale, the name and address of your customer, your name and address, each food item sold, and the price you charged for it. Be sure that your description of each item shows the kind, brand, variety, container-size and container-type.

SEC. 10. Records. After April 5, 1951, you must keep for so long as the Defense Production Act of 1950, as amended, remains in effect, all your invoices, freight bills, and other records showing the price you paid for each item and the date you received delivery of each item covered by this regulation. You are required to show all your invoices and records on request of any OPS representative. You are also required to keep available for inspection by any OPS representative the records you used in determining your class. In addition, you are required, on request of any OPS representative, to furnish a written record of your ceiling price for any or all of the items covered by this regulation.

SEC. 11. Prohibitions. On and after May 14, 1951, if you sell or deliver or offer to sell or deliver at a price higher than your ceiling price fixed by this regulation, or any order issued pursuant to it, or if you otherwise violate any provision of this regulation, or any order issued pursuant to it, you are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Defense Production Act of 1950. Also, any person, who, in the course of trade or business, buys from you at a price higher than your ceiling price is subject to the criminal penalties and civil enforcement actions provided for by that act.

[Sec. 11 amended by Amdts. 1 and 2]

SEC. 12. Further provisions supplementing or explaining this regulation. From time to time, the Price Director may, by amendment, issue further provisions which will supplement the provisions of this regulation or explain the rights and duties of buyers and sellers under it. These further provisions will become part of this regulation and may be added as paragraphs to this section.

(a) Whenever an amendment adds any food product to the list of items covered in Table A, you must figure your ceiling price for that food product in accordance with sections 3, 4, and 5. However, in doing so, you shall substitute the effective date of such amendment for the date, May 14, 1951, whenever it appears in sections 3, 4, and 5.

[Paragraph (a) amended by Amdt. 1]

(b) Whenever an amendment changes either a commodity definition in Table A by transferring a food product from one commodity group to another or the markup for your class of wholesalers, you must, by the opening of business on the effective date of such amendment refigure your ceiling prices for the items affected by such amendment. In doing so you must use your "net cost" the same "net cost" you used in figuring the ceiling prices you had on the effective date of the amendment.

ARTICLE II—SPECIAL PRICING PROVISIONS

SEC. 13. Additions to "net cost" for packaging. If you buy in bulk any item covered by this regulation except spices, tea and gelatin, and then package and sell it in cardboard containers, cotton bags, transparent bags, interlined coffee bags, or kraft bags or similar type bags on which the name, weight, and ingredient of the commodity are stamped or printed and which are packed and sealed at a place and time other than the point and time of sale, you may add to your "net cost" whichever of the following allowances applies:

[Paragraph above amended by Amdt. 2]

(1) 2 cents for every such bag or container with a net weight of less than 2 pounds.

(2) 2½ cents for every such bag or container with a net weight of 2 pounds or more, but less than 5 pounds.

(3) 1 cent per pound for every such bag or container with a net weight of 5 pounds or more, but not to exceed a total of 5 cents.

SEC. 14. Gift and holiday packages assembled by you. If you assemble, into gift or holiday packages, any food items covered by this regulation, with or without any items not covered by this regulation, your ceiling price for each such package will be the sum of the following multiplied by 1.05.

(a) Your ceiling price for each item (or article) being packed, figured under this regulation or any other applicable ceiling price regulation. If you have no ceiling price for any item (or article), use your current selling price for that item.

(b) Your direct cost of the packaging materials used for the package, including the container.

SEC. 15. Purchases and sales between wholesalers. (a) If you purchase from another wholesaler covered by this regulation, an item for which you have not

previously been required to establish a ceiling price under this regulation, you must secure a written record of that wholesaler's "net cost." To get your "net cost" for the item, you will add to that wholesaler's "net cost" the transportation charges you paid (not including local trucking or local unloading) to your usual receiving point. You will multiply the resulting figure by the mark-up figure for your class of wholesaler to get your ceiling price. However, your "net cost" for an item under this section may not exceed the net cost for that item had you purchased it from the manufacturer or processor. When you sell to another wholesaler an item covered by this regulation, you must furnish him with a written record of your "net cost" for the item.

(b) This section shall not apply to any imported food item which you purchase from a wholesaler who has imported that item.

(c) This section shall not apply with respect to ceiling prices figured for your sales to boat and steamship companies and ship operators for the provisioning of boats and ships, if you are a marine provisioner, the larger part of whose purchases of "dry groceries" were, prior to January 1951 and still are, made from other wholesalers: *Provided*, That before this exemption shall apply to you, you must receive a written order from the Regional Office of the OPS that covers the area in which you are located. You must file with such Office a written request, which shall include a statement showing the total amount of "dry groceries" you purchased from all sources during 1948, 1949, 1950, and 1951, and the total amount you purchased from wholesalers during each of those years. If such permission is granted, you shall figure your ceiling prices for such sales of items purchased from other wholesalers in accordance with the provisions of Sections 3, 4 and 5. For each item for which you have figured a ceiling price before such permission is granted, you must refigure your "net cost," basing it, however, on the same purchase you used in figuring your existing ceiling price for the item.

Each Regional Director of the OPS may, by order, act on all requests for exemption filed under the provisions of this paragraph (c) by sellers located in his region.

SEC. 16. Items which you import. This regulation shall not apply to you for sales of any item purchased by you directly from a foreign seller or his agent for importation into the continental United States. Your ceiling price for such items shall be determined by you in accordance with the General Ceiling Price Regulation or any other applicable ceiling price regulation covering the sale of the item by importers.

SEC. 17. How you figure your ceiling prices for foods you "manufacture or otherwise process." If you "manufacture or otherwise process" and sell at wholesale any item covered by this regulation you will determine your "net cost" or ceiling price for such an item under whichever of the following provisions applies:

(a) If the item is one for which OPS has issued, or later issues, a regulation naming dollars-and-cents ceiling prices for sales by manufacturers, but the regu-

lation makes no provision for manufacturers selling to retailers, the lowest ceiling price under that regulation for sales delivered to your usual receiving point shall be your "net cost."

(b) If the item is one for which OPS has issued, or later issues, a regulation naming dollars-and-cents ceiling prices for sales by manufacturers and makes a provision for manufacturers selling to retailers, you shall figure your ceiling price for such item as a manufacturer under that regulation. You will not attempt to figure a "net cost" and apply a mark-up figure under this regulation.

(c) If the item is one for which OPS has not issued, or does not later issue, a regulation establishing dollars-and-cents ceiling prices for sales by manufacturers, you shall figure your ceiling price for such item as a manufacturer under the appropriate regulation covering sales of such item by manufacturers. You will not attempt to figure a "net cost" and apply a mark-up figure under this regulation.

(d) If, after you have established a ceiling price for an item which you "manufacture or otherwise process," the manufacturing regulation which you used in figuring your ceiling price under paragraph (a), (b), or (c) of this section is amended so that either (1) the manufacturer's regulation is no longer the type described in the applicable paragraph of this section or (2) the type of regulation is not changed but the prices set forth therein are changed, you must, within 5 days after the effective date of such amendment, refigure your ceiling price for the item under the applicable paragraph of this section based on the manufacturer's regulation as amended.

(e) For the purposes of this regulation you shall be considered a manufacturer of any item which you "manufacture or otherwise process" directly, or which is manufactured for you by a person to whom you supply the raw material.

SEC. 18. How a retailer-owned cooperative wholesaler figures ceiling prices for sales to nonmembers. If you are a retailer-owned cooperative wholesaler and you sell to nonmembers (those retailers who have no share or interest in your ownership) your ceiling prices for your sales to nonmembers without delivery may be figured as a Class 2 wholesaler. If you sell and deliver to nonmembers, your ceiling prices for such sales may be figured as a Class 3 wholesaler, in which event you may not add to such ceiling prices the additions for delivery allowed in section 22 of this regulation.

SEC. 19. How a service wholesaler figures ceiling prices for cash-and-carry sales. If you are a service wholesaler but you also make cash-and-carry sales, you must use for such sales the mark-up figures of a cash-and-carry wholesaler if, during January 1951:

(a) You had a separate department for such sales, or

(b) You had a price list for such sales different from the price list which you used in making other sales.

SEC. 20. How a service wholesaler figures ceiling prices for sales to commercial, industrial or institutional users. If you are a service wholesaler and you make sales to commercial, industrial or institutional users, you may use for such

sales the mark-up figures of an institutional wholesaler.

SEC. 21. How an institutional wholesaler figures ceiling prices for sales to retailers. If you are an institutional wholesaler, but you also make sales to retail stores, your ceiling prices for such sales made without delivery must be figured as a Class 2 (cash-and-carry) wholesaler and your ceiling prices for such sales made with delivery must be figured as a Class 3 (service) wholesaler.

SEC. 22. Addition allowed for deliveries by Class 1 and Class 2 wholesalers.

(a) If you are a retailer-owned cooperative wholesaler, or a cash-and-carry wholesaler, and you have customarily added a set amount or percentage to your sales price for delivering to retailers, you may, in figuring your ceiling price for each item you deliver to retailers, add to your ceiling price such set amount or percentage. The resulting figure will be your ceiling price for the item when delivered by you.

(b) If you are a retailer-owned cooperative wholesaler or a cash-and-carry wholesaler and you have not customarily added a set amount or percentage to your sales price for delivering to retailers, you may, in figuring your ceiling price for each item you deliver to retailers, add .01 to your markup figure (example: If your markup figure is 1.06, you change it to 1.07).

SEC. 23. Addition allowed for deliveries outside of a base zone—(a) Addition allowed to retailer-owned cooperative wholesalers, service wholesalers and institutional wholesalers. (1) If you are a retailer-owned cooperative wholesaler, a service wholesaler or an institutional wholesaler, who, during January 1951 customarily sold goods on a delivered basis in different zones at established price differentials between zones, you may, in figuring your ceiling prices for items delivered by you to such other zones, add to your "base zone" ceiling prices the same zone differentials which you added in January 1951. The resulting figures will be your ceiling prices for items delivered by you to such other zones. (Your base zone shall be the area surrounding your warehouse in which you customarily made free deliveries.)

(2) If you are a retailer-owned cooperative wholesaler, you may not, in figuring your ceiling prices under this section, include any addition allowed in section 22.

(3) Before using different delivered prices for different zones under this section, you must report, in writing, to the Distribution Branch, Food and Restaurant Division, OPS, Washington, D. C., the amount of such differential and a description of your base zone and delivery zones.

(b) Additions by certain wholesalers making f. o. b. sales. If you are a service wholesaler or an institutional wholesaler who, during January 1951 customarily sold f. o. b. your warehouse for delivery to zones or delivery points outside of your base zones, and

(1) If you added a freight charge when making such sales or included a freight charge in figuring your selling price, you may add to your ceiling price for each item the same charge or the same freight rate, apportioning the charge or freight rate to each item, in which case the resulting figure will be

your ceiling price for the item when sold to such other zones or delivery points, or

(2) If your customer paid the freight bill, you may make such sales at your ceiling prices, the freight bill to be paid by the purchaser.

(c) Additions by certain wholesalers who did not use a zone delivery system or make f. o. b. sales. If you are a service wholesaler or an institutional wholesaler, who, during January 1951 customarily sold all customers on a delivered basis at the same price regardless of distance from your warehouse, you may, in figuring your ceiling price for an item delivered by you to a customer located at a distance of 125 miles or more from your warehouse, add to your mark-up figure whichever of the following amounts applies:

(1) If your customer is located at a distance of from 125 through 199 miles from your warehouse, you may add .01 to your markup figure (example: If your markup on mayonnaise in Table A is 1.16, you change it to 1.17).

(2) If your customer is located at a distance of from 200 miles through 299 miles from your warehouse, you may add .02 to your markup figure.

(3) If your customer is located at a distance of from 300 miles through 399 miles from your warehouse, you may add .03 to your markup figure.

(4) If your customer is located at a distance of 400 miles or more from your warehouse, you may add .04 to your markup figure.

(5) If your method of figuring ceiling prices for items delivered to zones outside of a base zone falls within either paragraph (a) or paragraph (b) of this section, you may not use this paragraph (c) in figuring your ceiling prices for items delivered to such other zones.

SEC. 24. How you figure your "net cost" in certain cases—(a) Frozen fruits, berries, and vegetables. If, after you have figured a ceiling price for an item of frozen fruits, berries, fruit or berry juices, vegetables or vegetable juices, you do not receive additional deliveries of such an item from a supplier but you have had such item in storage from which you supply your customers, for a period of at least four weeks since you last figured your ceiling price for the item, you may on the fourth Monday after you last figured your ceiling price for the item, add to the "net cost" (before the rounding of fractions) on which your existing ceiling price is based, your actual costs, per unit, incident to storage for the period since you last figured your ceiling price.

SEC. 25. Special pricing provisions for manufacturers selling some commodities at wholesale. Any person the larger part of whose business consists of the manufacturing or processing of foods but (a) his entire business in connection with a particular commodity consists of the purchase and resale of such commodity without materially changing its form and (b) the larger part of his sales of such commodity are made to independent retail stores or to commercial, industrial or institutional users (c) may figure his ceiling price under this regulation for sales of such commodity to retailers and commercial, industrial or institutional users, if the particular goods sold have been warehoused and are being sold in less-than-carload lots.

ARTICLE III—ADJUSTMENT PROVISIONS

SEC. 26. *How retailer-owned cooperative wholesalers may, under certain conditions, apply for permission to use the mark-up figures designated for other wholesalers.* If you are a retailer-owned cooperative wholesaler, you may file an application for permission to use the mark-up figures designated for another class of wholesaler if you can establish:

(a) That you have customarily operated in the same manner as the other class of wholesaler, and

(b) That in 1950 you had an overall gross margin at least as high as the overall gross margin you would realize by using the mark-up figures specified in this regulation for such other class of wholesaler.

(c) Your application must set forth the following:

(1) A statement as to whether your members received dividends or other proceeds from your organization; the basis for determining the amount of such payments; the amount of such payments for the years 1950 and, if available, so far in 1951.

(2) The amount and conditions of fees, if any, paid by your members in addition to the invoice price of commodities;

(3) Your profit and loss statement for your fiscal years 1950 and so much of 1951 as is available, and balance sheets as of the end of each such accounting period;

(4) Your percentage mark-up over invoice cost for sales during 1950 to your members for each commodity group listed in this regulation, and if sales were made to non-members, the same information with respect to such sales;

(5) Any evidence you may be able to furnish showing the difference between your operations and functions and those of the usual retailer-owned cooperative wholesaler, including a statement of any special service performed by you, any additional compensation received for such special services, and a reasonable basis for distinction or classification, if any, between you and other retailer-owned cooperative wholesalers.

(d) Such application must be filed in duplicate with the Distribution Branch, Food and Restaurant Division, OPS, Washington 25, D. C. You may not use these requested mark-up figures until you have received specific authorization from such OPS office. Applications for adjustment are governed by Price Procedural Regulation 1.

SEC. 26a. *How a service fee wholesaler figures his ceiling prices.* (a) You are a service fee wholesaler if, prior to April 5, 1951, and at the present time: (1) a substantial part of your sales in dollar volume are made with delivery; (2) services are rendered through outside salesmen or fieldmen; (3) your selling prices to retail stores are figured by the addition to your cost of a stated service fee and charges for additional services rendered; and (4) your sales are made to retail stores only after the retail stores have agreed to become affiliated with your plan.

[Paragraph (a) amended by Amdt. 8]

(b) If you are a service fee wholesaler, you shall figure your ceiling prices in accordance with sections 3 and 4 of

this regulation for all items covered by this regulation by adding to your "net cost" as defined in section 4, the fee and service charges (except optional charges) made by you during the month prior to the effective date of this regulation. These "fee and service charges" shall not include any charges optional to your retail customer, but shall include all stated fees and charges for services rendered which are a compulsory part of your plan of operation. However, during each consecutive four-week period after May 14, 1951, your "net cost" for all items subject to this regulation sold by you to any retail customer, plus the total of the fee and service charges made to that customer, may not exceed what your ceiling prices would have been if you had figured the ceiling prices by using the markups provided for your class of wholesaler in Table A of section 35 for all categories of commodities which have a markup of 1.10 or less, and reducing to 1.10 all categories of commodities that have a markup above 1.10, except category 10 which shall be reduced to a markup of 1.19.

(c) On all sales made by you as a service fee wholesaler of items covered by this regulation you must furnish the retailer an estimated ceiling price for each item. This estimated ceiling price shall be what your ceiling price would have been if you had figured your ceiling price by adding to your "net cost," as defined in section 4 of this regulation, the markup provided for your class of wholesaler in Table A of section 35 of this regulation for all categories of commodities which have a markup of 1.10 or less, and reduce to 1.10 all categories of commodities that have a markup above 1.10, except category 10 which shall be reduced to a markup of 1.19. This information must be furnished to the retailer on the invoice or order form, or other written document furnished at or before the time of delivery of the items.

[Paragraph (c) amended by Amdt. 8]

(d) You must notify the OPS district office for your area not later than May 31, 1951, of all fee and service charges used by you during the month prior to the effective date of this regulation which are a compulsory part of your plan of operation, and of all charges which are optional to the retailer, together with all information necessary to obtain a complete description of your type of operation. You may begin using the provisions of this section as soon as you have furnished your OPS district office for your area the information required by this section. This authority may be withdrawn if it is determined that you do not qualify for adjustment under this section.

(e) If you figure your ceiling prices for any items under this section, you must figure your ceiling prices for all sales of items covered by this regulation to retail stores affiliated with your plan in accordance with this section.

[Paragraph (e) amended by Amdt. 8; Sec. 26a added by Amdt. 2]

SEC. 27. *How certain wholesalers may, under certain conditions, apply for permission to use the mark-up figures des-*

ignated for service wholesalers. (a) If, prior to April 5, 1951, the larger part of your dollar food sales were made, with delivery to independent retail stores, but you are a Class 2 wholesaler because you did not deliver to all customers in a base zone without charge, you may file an application for permission to use the mark-up figures designated for service wholesalers, if you can establish that:

(1) Most of your sales prior to April 5, 1951, were, and still are made with delivery;

(2) Most of your sales prior to April 5, 1951, were, and still are made, through the services of outside salesmen or fieldmen;

(3) Most of your sales prior to April 5, 1951, were, and still are made, with credit; and that

(4) Your total gross margin was at least twelve percent on gross sales in your fiscal year 1950.

(b) Your application must set forth the following for the calendar or fiscal year 1950:

(1) Total dollar amount of sales;

(2) Cost of goods sold;

(3) Total dollar amount of sales made with delivery and delivery charges, if any;

(4) Total dollar amount of sales made through outside salesmen or fieldmen;

(5) Total dollar amount of credit sales; and

(6) Profit and loss statement.

(c) Such application must be filed in duplicate with the Distribution Branch, Food & Restaurant Division, OPS, Washington 25, D. C. If your application is approved, you will be authorized to figure your ceiling prices as a service wholesaler, subject to all of the provisions applicable to such wholesalers and you will be authorized to make charges for delivery only in accordance with the provisions of Section 23 (c). You may not use these requested mark-up figures until you have received specific authorization from such OPS office. Applications are governed by Price Procedural Regulation 1.

SEC. 27a. *How certain wholesalers similar to wagon wholesalers may apply to use the provisions of the General Ceiling Price Regulation instead of the mark-ups in this regulation for the purpose of establishing their ceiling prices for all items under this regulation except frozen foods.* (a) If you do business in the manner outlined in this section, you may apply under paragraph (b) of this section to use the provisions of the General Ceiling Price Regulation instead of the markups in this regulation for the purpose of establishing your ceiling prices on all items except frozen foods.

(1) During the year 1950 your operations and functions, on the items listed in Table A, except frozen foods, sold by you to retail stores, must have been identical with those of wagon wholesalers except that you took advance orders and thereafter delivered to the retailer;

(2) On 90 percent or more of the items listed in Table A, except frozen foods, sold by you to retail stores, you were the exclusive distributor of your supplier in the area in which you did business.

(3) You rendered special services not performed by the usual service wholesaler, such as rotation of stock in retail stores, the building of displays for mer-

chandise you sold and exchanging stale merchandise.

(4) Your selling prices, for items listed in Table A, except frozen foods, were resale prices suggested to you by more than 50 percent of the manufacturers whose products you distribute.

(b) Your application must set forth the following:

(1) A list of the Table A items except frozen foods, you distributed in 1950 to retail stores, for each such item indicating: whether you were the exclusive distributor in your area; and, the markup over cost which was in effect during the 90 days prior to June 24, 1950;

(2) A list of the special services rendered by you but not performed by the usual service wholesaler, such as rotation of stocks in retail stores, the building of displays and the exchanging of stale merchandise;

(3) The number of manufacturers whose products you distribute, and the number of those who suggested to you resale prices;

(4) Any other information you consider relevant to demonstrating the similarity between your functions and those of a wagon wholesaler, and the difference between your functions and those of the usual service wholesalers.

[Sec. 27a added by Amdt. 5]

SEC. 27b. How certain wholesalers may, under certain conditions, apply for an additional allowance to cover cost of product promotion. (a) If you are a wholesaler covered by this regulation, you may file an application for authority to add a specific percentage markup, not to exceed five percent (5%), to your "net cost" for an item of food falling within a commodity group in Table A of this regulation, except frozen foods, to reflect allowance for the cost of product promotion, before applying the markup in Table A for your class of wholesaler, if you can establish that, during the calendar year 1950, or, if not in business during all of 1950, for your most recent fiscal year prior to the effective date of this amendment:

(1) You owned, or exclusively controlled a label or a brand placed on containers of food commodities covered by this regulation. If you have not owned or exclusively controlled such a label or brand for at least one year prior to the effective date of this amendment you may apply for adjustment under the provisions of paragraph (f) of this section.

(2) You continuously offered food commodities covered by this regulation bearing this label or brand for general sale to retail food stores. Any sales to other wholesalers will not come under this adjustment provision and are specifically excluded from application for additional allowance.

(3) This label or brand of food commodities was sold by no other wholesaler in your area.

(4) The sale of his label or brand of food commodities represented at least ten percent (10%) of your total dollar volume of sales of commodities covered by this regulation, exclusive of frozen foods.

(5) You spent at least one and one-half percent (1½%) of the gross sales of this label or brand of food commodities in advertising and merchandising through newspapers, radio, television, magazine, billboards, posters, retail distributors' material, store demonstrations including consumer samplings, and other promotions, including the net cost of labels and that part of the salaries or other compensation paid to specialty salesmen and supervisors for the purpose of such promotion, but not including salaries or other compensation paid to other salesmen or supervisors. No part of the advertising and promotion borne by any processor, supplier, manufacturer, packer, or customer either directly or indirectly by allowance, discounts, price differentials, rebates, or any other method shall be included.

(6) Your average percentage markup on "net cost" of the commodity bearing this label or brand exceeded the markup permitted in Table A for that commodity for your class of wholesaler.

(7) You are currently using the same special efforts to promote this label or brand of food commodities.

(8) You have not been granted an adjustment, in whole or in part, under sections 26a, 28, 28a or 28b of this regulation.

(b) If you establish that your cost of product promotion was more than one and one-half percent (1½%) but less than three and one-half percent (3½%) you may be granted authority to add a three and one-half (3½%) markup to your "net cost" of the commodity before applying the markup in Table A. However, if you establish that such cost of product promotion was more than three and one-half percent (3½%) you may be granted authority to add the actual cost of product promotion, not to exceed five percent (5%), to your "net cost" of the commodity before applying the markup in Table A.

(c) If, however, you are granted authority under the provisions of this section to add a specific percentage markup to your "net cost", you must also reduce your "net cost" of all other brands of the same grade and quality of that commodity by the same percentage figure before applying the markup in Table A of this regulation for your class of wholesaler.

(d) Your application must set forth the following for the calendar year 1950, or, if not in business during all of 1950, for your most recent fiscal year prior to the effective date of this amendment:

(1) The class of wholesaler designated by you on Public Form No. 4 filed with your OPS district office.

(2) A statement of whether you have applied for an adjustment under any of the provisions of this regulation, and whether your application for such adjustment has been granted, in whole or in part.

(3) Your total gross sales of all commodities listed in Table A of this regulation, exclusive of frozen foods.

(4) Your total advertising, promotional and merchandising expenses.

(5) Your total sales of all commodities listed in Table A of this regulation

bearing this owned or exclusively controlled label or brand.

(6) Your total advertising, promotional and merchandising expenses, including the net cost of labels and that part of the salaries or other compensation paid to specialty salesmen and supervisors, for the purpose of promoting those commodities bearing this owned or exclusively controlled label or brand listed in Table A of this regulation. You must not include in this figure any such expenses paid, in whole or in part, by your supplier or your customers either directly or indirectly by allowances, discounts, price differentials, rebates, or any other method, and such figure must not include any salaries, commissions, or any other compensation paid to other salesmen or supervisors.

(7) A statement showing the percentage amount of your gross sales of this label or brand of food commodities spent for product promotion. This amount is the result of dividing the figure submitted in answer to subparagraph (6) by the figure submitted in answer to subparagraph (5).

(8) A list of the commodities in Table A of this regulation for which you seek authority to add a specific percentage markup (not to exceed five percent (5%)) to your "net cost" before applying the markup in Table A for your class of wholesaler.

(9) A statement describing your advertising, promotion, and merchandising programs, and listing accurately your net cost of labels and salaries or other compensation paid to specialty salesmen and supervisors, on those items bearing this owned or exclusively controlled label or brand and the submission of representative samples of your advertising, labels and promotion.

(10) A statement that your average percentage markup on "net cost" for the commodities listed in answer to subparagraph (8) above exceeded the markup permitted in Table A for your class of wholesaler.

(11) A profit and loss statement.

(12) A balance sheet.

(e) Such application must be filed, in duplicate, with the Distribution Branch, Food and Restaurant Division, Office of Price Stabilization, Washington 25, D. C. As soon as you have filed your application in accordance with this section, and containing all the information required by this section, if in answer to subparagraph (7) of paragraph (d) above you set forth that your cost of product promotion is more than one and one-half percent (1½%) but less than three and one-half percent (3½%), you may begin to add an additional three and one-half percent (3½%), or if in answer to subparagraph (7) of paragraph (d) above you set forth that your cost of product promotion is more than three and one-half percent (3½%) you may begin to add such additional 1 percentage markup, not to exceed five percent (5%), to your "net cost" of the item before applying the markup in Table A for your class of wholesaler, provided that you reduce your "net cost" of all other brands of the same grade and quality of that commodity by the

same percentage figure before applying the markup in Table A of this regulation for your class of wholesaler. This authority may be withdrawn if it is determined that you do not qualify for adjustment under this section. If at any time after you are authorized to use such percentage markup, your method of promoting such labeled or branded food items changes in any material respect, you must report immediately the circumstances to the Distribution Branch, Food and Restaurant Division, Office of Price Stabilization, Washington 25, D. C., and, upon a review of the facts, your percentage markup allowance may be adjusted to reflect the changes in your method of operation.

(f) If you did not promote your own, or exclusively controlled label or brand in the manner outlined in paragraph (a) of this section prior to the effective date of this amendment and you now desire to promote such a label or brand, you may apply to the Distribution Branch, Food and Restaurant Division, Washington 25, D. C., for authority to add a specific markup to your "net cost," not to exceed five percent (5%), to reflect an allowance for the cost of product promotion if you certify that you propose to do business in the manner outlined in paragraph (a) of this section. Your application must be filed in duplicate and must contain the following information:

(1) The class of wholesaler designated by you in Public Form No. 4 filed with your OPS district office.

(2) A statement of whether you have applied for adjustment under any provision of this section and whether your application for such adjustment has been granted, in whole or in part.

(3) Your estimated total gross sales of all commodities listed in Table A of this regulation, exclusive of frozen foods, for the next twelve months.

(4) Your estimated total sales of all commodities bearing this owned or exclusively controlled label or brand listed in Table A of this regulation, exclusive of frozen foods, for the next twelve months.

(5) An estimate of the amount you propose to spend for advertising, promotion, and merchandising including the net cost of labels and that part of the salaries or other compensation paid to specialty salesmen and supervisors for the purpose of promoting those commodities bearing this owned or exclusively controlled label or brand listed in Table A of this regulation, for the next 12 months. You must not include in this figure any expenses to be paid, in whole or in part, by your supplier or your customers either directly or indirectly by allowances, discounts, price differentials, rebates, or any other method, and such figure must not include the salaries, commissions, or any other compensation paid to other salesmen or supervisors.

(6) A statement showing the percentage amount of the estimated gross sales of this label or brand of food commodities which you propose to spend for product promotion. This amount is the result of dividing the figure submitted in answer to subparagraph (5) by the

figure submitted in answer to subparagraph (4).

(7) A list of the commodities in Table A of this regulation for which you seek authority to add a specific percentage markup, not to exceed five percent (5%), to your "net cost" before applying the markup in Table A for your class of wholesaler.

(8) A statement describing your proposed advertising, promotion, and merchandising programs on those items bearing this owned or exclusively controlled label or brand and the submission of representative layout copy of your proposed advertising, labels and promotion.

You may not operate under this section until you are notified in writing by the Director of Price Stabilization of the additional percentage markup, not to exceed five percent (5%), which you will be allowed to use. In the event you are granted authority to add a specific percentage markup to your "net cost" of an item bearing your own or exclusively controlled label or brand, you must also reduce your "net cost" of all other brands of the same grade and quality of that commodity by the same percentage figure before applying the markup in Table A of this regulation for your class of wholesaler. In addition, within 25 days after the close of the first 6 months of operation you shall submit to the Distribution Branch, Food and Restaurant Division, OPS, Washington 25, D. C., a new application under the provisions of subparagraph (a) of this section using your actual cost data for this 6-month period. Your percentage markup must be adjusted to reflect your actual cost of product promotion in accordance with subparagraph (e) of this section.

[Sec. 27b added by Amdt. 6]

SEC. 27c. How a service wholesaler may apply to use the same ceiling prices for his own, or exclusively controlled label or brand of food commodities covered by this regulation sold from his cash-and-carry and service departments. (a) If you are a service wholesaler and you qualify for adjustment under the provisions of section 27b of this regulation and you can establish that for the calendar year 1950:

(1) You operated a cash-and-carry department;

(2) You continuously sold or offered for sale from this cash-and-carry department the same food commodities bearing your own or exclusively controlled label or brand for which you qualify for adjustment under section 27b of this regulation from both your cash-and-carry department and your service department at the same price;

you may file an application under this section for permission to use the same ceiling prices for those food commodities bearing your own or exclusively controlled label or brand sold from your cash and carry department and your service department.

(b) Your application must contain:

(1) A statement that it was your practice during the calendar year of 1950 to sell your own or exclusively controlled label or brand at the same price in both

your cash and carry and service wholesale operations, and

(2) A statement that records including cost data and invoices are on file at your usual place of business for the inspection by the Director of Price Stabilization which substantiate your statement under (1) above.

(c) Such application must be filed in duplicate with the Distribution Branch, Food and Restaurant Division, Office of Price Stabilization, Washington 25, D. C. You may not price under this section until you have received specific authority in writing from the Director of Price Stabilization authorizing you to do so.

[Sec. 27c added by Amdt. 6]

SEC. 28. How service wholesalers may, under certain conditions, apply for permission to use the mark-up figures designated for institutional wholesalers. If you are a service wholesaler (you must consider each warehouse as a separate wholesaler), you may file an application for permission to use the mark-up figures designated for institutional wholesalers if you can establish:

(a) The total gross margin on all sales made by you in your fiscal year 1950 was at least 18 percent; and

(b) During the year 1950 your operations and functions differed substantially from those of the usual service wholesaler; for example, you regularly distributed grocery products over a much wider area and you offered for sale a substantially greater number of items of food than the usual service wholesaler.

(c) Your application must set forth the following for each warehouse for which the application for adjustment is filed:

(1) Profit and loss statements for the fiscal years 1949, 1950, and so much of 1951 as is available, and balance sheets as of the end of each such accounting period;

(2) Any evidence you may be able to furnish concerning the difference between your operations and functions and those of the usual service wholesaler, and a reasonable basis for distinction or classification between you and other service wholesalers;

(3) A list of the states to which you regularly distributed grocery products in 1949 and 1950 and an approximation of the volume of sales made by you in each of the states during 1949 and 1950 and

(4) The number of food items that you offered for sale in 1950.

(d) Such application must be filed in duplicate with the Distribution Branch, Food & Restaurant Division, OPS, Washington, D. C. You may not use these requested mark-up figures until you have received specific authorization from such OPS office. Applications for adjustment are governed by Price Procedural Regulation 1.

SEC. 28a. How certain wholesalers may apply for permission to operate as service fee wholesalers. If you were not operating as a service fee wholesaler prior to April 5, 1951, you may file an application for permission to operate as a service fee wholesaler if you furnish the following information:

(1) The names and addresses of the retailers who agree to become affiliated with your plan.

(2) A schedule of your proposed fees and charges.

(3) A description of the services which you will offer to your retailers.

(4) The number of salesmen or fieldmen that you plan to use.

(5) A complete description of your proposed type of operation including your method of invoicing.

Such application must be filed in duplicate with the OPS district office for your area. You may not operate as a service fee wholesaler until you have received specific authorization from such OPS office. Applications for adjustments are governed by Price Procedural Regulation 1.

[Sec. 28a added by Amdt. 2]

SEC. 28b. *How certain wholesalers, selling mostly "specialty" food items may under specific conditions apply to be excluded from using the markups in this regulation for the purpose of establishing their ceiling prices.* (a) If you meet the average markup requirement specified in this section and do business in the manner outlined in this section you may apply under paragraph (b) of this section to be excluded from using the markups in this regulation for the purpose of establishing your ceiling prices.

(1) Most of your sales prior to April 5, 1951, were and still are of "specialty" food items.

(2) Most of your sales prior to April 5, 1951, were and still are made by delivery.

(3) Most of your sales prior to April 5, 1951, were and still are made through the services of outside salesmen or fieldmen.

(4) Most of your sales prior to April 5, 1951, were and still are made with credit.

(5) Your average markup on "net cost" was at least 22 percent on all food sales for your fiscal year 1950. If not in business during all of 1950, use your most recent fiscal period.

(b) You must before September 30, 1951, file with the OPS district office for your area an application in duplicate showing clearly that you do business as outlined in paragraph (a) of this section and setting forth the following for the calendar or fiscal year 1950:

(1) Total dollar amount of sales.

(2) Cost of goods sold.

(3) Total dollar amount of sales delivered or shipped by you.

(4) Total dollar amount of sales made through outside salesmen or fieldmen.

(5) Total dollar amount of credit sales.

(6) Profit and loss statement.

You may consider yourself excluded from using the markups in this regulation for the purpose of establishing your ceiling prices as soon as you have filed your application in accordance with this section. Then figure all your ceiling prices for food items under the General Ceiling Price Regulation, as amended. This authority may be withdrawn if it is determined by OPS that you do not qualify for adjustment under this section. Applications for adjustments are governed by Price Procedural Regulation 1.

[Sec. 28b added by Amdt. 2; paragraph (b) amended by Amdt. 5]

SEC. 28c. *How institutional wholesalers or service wholesalers with a separate*

institutional department may, under certain conditions, apply for an additional allowance for performing certain services not generally performed by institutional wholesalers. (a) If you are an institutional wholesaler or a service wholesaler with a separate institutional department covered by this regulation, you may file an application for authority to add a specific percentage markup to your "net cost" of an item of food falling within a commodity group in Table A before applying the markup in Table A for institutional wholesalers, if you can establish for each warehouse (you must consider each warehouse as a separate wholesaler) that during the calendar year 1950, or if not in business during all of 1950 for your most recent fiscal year prior to May 14, 1951.

(1) The total gross margin on all institutional sales made by you of commodities covered by this regulation was at least 19 percent on gross sales.

(2) Your operations and functions differed substantially from those of the usual institutional wholesaler in that: you regularly distributed institutional size goods in less than case lots; you made special and more frequent deliveries of sales of small dollar amounts; you operated a repacking department for purposes of packaging those sales of institutional size goods in less than full case lots; and your credit terms were more liberal than those generally offered by institutional wholesalers.

(3) You are currently distributing food commodities to the same type of customers with the same services outlined above.

(b) Your application must set forth the following for each warehouse for which the application for adjustment is filed for the calendar year 1950, or if not in business during all of 1950 for your most recent fiscal year prior to May 14, 1951:

(1) Total dollar amount of institutional sales of food commodities covered by Table A.

(2) Cost of food commodities which are covered by Table A sold to institutions.

(3) Percentage of total sales of institutional size goods made in less than case lots.

(4) Average dollar value of all institutional sales, average number of deliveries per customer per month and percentage of total deliveries that were other than regularly scheduled deliveries.

(5) Estimate of your cost of operating a repacking department.

(6) Statement showing regular credit terms to institutions; customary length of credit extended and percentage of credit sales that go beyond (i) 30 days, (ii) 60 days, and (iii) 90 days.

(7) Profit and loss statement.

(8) Balance sheet.

(c) Such application must be filed with the Distribution Branch, Food and Restaurant Division, OPS, Washington 25, D. C. You may not use these requested markup figures until you have received specific authorization from such OPS office. A form for this purpose may be obtained from your nearest OPS District office. If your application is ap-

proved you will be authorized by the Director of Price Stabilization to add to your net cost the percentage markup set forth below for the food commodities group which includes the items which you are pricing before applying the markup in Table A for institutional wholesalers. If, at any time, after you are authorized to use such additional markup, your method of distribution changes in any material respect, you must report immediately the circumstances to the Distribution Branch, Food and Restaurant Division, OPS, Washington 25, D. C., and upon a review of the facts, if it be determined that you no longer conduct your business in the manner required by this section, this authority may be withdrawn.

Food commodities	Percentage markup
2 Cereals, breakfast.....	.02
3 Cocoa, chocolate and cereal drink preparations.....	.04
6 Corn meal, hominy, and flour mixes.....	.03
11 Fruits, berries, fruit juices (canned) except fruit cocktail, pineapple, peaches and pears.....	.04
12 Fruit cocktail, pineapple, peaches, pears, canned except juices.....	.085
14 Gelatin and pudding mixtures.....	.09
15 Jams, jellies, preserves, honey and peanut butter.....	.05
18 Mayonnaise and salad dressing.....	.05
19 Meat, canned.....	.10
23 Pickles and relishes.....	.05
25 Shortening, hydrogenated.....	.04
27 Soups, canned.....	.05
28 Soups, dehydrated.....	.05
29 Spices.....	.10
30 Syrups.....	.03
31 Tea.....	.10
32 Vegetables and vegetable juices (canned) except corn, green beans, tomatoes and tomato juice.....	.04
33 Corn, green beans, tomatoes, tomato juice (canned).....	.085
34 Vegetables, dried and hydrated.....	.03
36 Miscellaneous foods.....	.05

[Sec. 28 (c) added by Amdt. 7]

ARTICLE IV—MISCELLANEOUS PROVISIONS

SEC. 29. *Transfer of business and stock in trade.* If, after May 14, 1951, you acquire in any way the business, assets and stock in trade of any wholesaler covered by this regulation and you carry on the business, or continue to deal in the same type of food products in the same establishment, and you render the same service and sell to the same class of purchaser, your ceiling prices shall be the same as those of the former owner as if no transfer had taken place. You must keep all the records needed to verify your ceiling prices. The former owner must either preserve and make available to you or give you all the records of his transactions before you need to comply with the record provisions of this regulation.

If, after the transfer, you fall into a class of wholesaler different from the former owner's, your ceiling prices shall be those for the class of wholesaler in which you fall. (For example: If you acquire the business, assets, and stock in trade of a service wholesaler and you decide to discontinue making deliveries, your ceiling prices must be figured as a cash-and-carry wholesaler, using as your "net cost" the same "net cost" the former owner used in fixing ceiling prices.)

[Sec. 29 amended by Amdt. 1]

SEC. 30. *Taxes.* You may collect, in addition to your ceiling price, any tax

mine the class of wholesaler to which you belong; then find the commodity listed at the left of Table A which includes the item you are pricing. Directly opposite, in the column for your class of wholesaler, you will find the proper markup figure for the item. This is the figure by which you should multiply your "net cost" in order to determine your ceiling price. Drop any fraction of a cent which is less than 1/2 cent; take the next higher cent if the fraction is 1/2 cent or more.

For example, you are a Service (Class 3) Wholesaler, and you want to figure your ceiling price for a case of 24 9-ounce packages of X Brand Spaghetti which you had in stock at the opening of business on May 14, 1951.

The amount you paid your customary type of supplier for your last purchase of a customary quantity of this item prior to May 14, 1951.

[Paragraph (a) amended by Amdt. 1]

TABLE A
[Mark-up figures to be used by wholesalers in figuring ceiling prices for items covered by this regulation by commodities]

	Figures to be multiplied by net cost			
	Class 1 Retailer- owned coopera- tives	Class 2 Cash and carry	Class 3 Service and delivery	Class 4 Insti- tutional
<i>Food commodities</i>				
1. Baby foods.....	1.06	1.085	1.135	1.185
2. Cereals, breakfast.....	1.06	1.06	1.105	1.135
3. Cocoa, chocolate, and cereal drink preparations.....	1.07	1.085	1.125	1.175
4. Coffee.....	1.055	1.065	1.09	1.14
5. Cookies, crackers, toast and crumbs.....	1.11	1.15	1.20	1.25
6. Corn meal, hominy and flour mixes.....	1.085	1.085	1.12	1.165
7. Dog and cat foods.....	1.06	1.09	1.105	1.15
8. Fish, processed.....	1.095	1.13	1.19	1.24
9. Flour.....	1.07	1.075	1.10	1.15
10. Frozen foods.....	1.24	1.24	1.24	1.29
11. Fruits, berries and fruit juices (canned) except fruit cocktail, pineapple, peaches and pears.....	1.105	1.155	1.18	1.23
12. Fruit cocktail, pineapple, peaches and pears (canned) except juices.....	1.06	1.085	1.135	1.185
13. Fruits, dried and dehydrated.....	1.055	1.125	1.165	1.215
14. Gelatin and pudding mixtures.....	1.06	1.07	1.105	1.155
15. Jams, jellies, preserves, honey and peanut butter.....	1.115	1.14	1.19	1.24
16. Lard, pure.....	1.035	1.035	1.075	1.125
17. Macaroni and spaghetti products.....	1.09	1.115	1.15	1.20
18. Mayonnaise and salad dressing.....	1.08	1.12	1.16	1.21
19. Meat, canned.....	1.035	1.08	1.10	1.15
20. Milk, cream.....	1.035	1.035	1.045	1.095
21. Oils, cooking and salad.....	1.07	1.075	1.10	1.15
22. Oleomargarine.....	1.045	1.085	1.14	1.19
23. Pickles and relishes.....	1.075	1.14	1.18	1.23
24. Rice.....	1.045	1.045	1.06	1.10
25. Shortening, hydrogenated.....	1.045	1.045	1.06	1.10
26. Soups, canned.....	1.045	1.07	1.09	1.14
27. Spices, dehydrated.....	1.06	1.105	1.13	1.18
28. Spices.....	1.15	1.27	1.28	1.33
29. Syrup.....	1.07	1.10	1.115	1.165
30. Tea.....	1.06	1.095	1.115	1.165
31. Vegetables and vegetable juices (canned) except corn, green beans, tomatoes and tomato juice.....	1.07	1.14	1.20	1.25
32. Corn, green beans, peas, tomatoes and tomato juice (canned).....	1.06	1.085	1.135	1.185
33. Vegetables, dried and dehydrated.....	1.08	1.09	1.12	1.17
34. Vinegar.....	1.12	1.16	1.23	1.28
35. Miscellaneous foods.....	1.11	1.15	1.20	1.25

(f) *Marine provisions.* A "marine provisioner" is a person, the larger part of whose food sales are of food products which he purchases for resale and distributes from a warehouse, without materially changing their form, to boat and steamship companies and ship operators for the provisioning of boats and ships, with delivery from shore locations by the use of truck or launch facilities.

(g) *Flour jobber.* "Flour jobber" shall mean a person the larger part of whose business is the purchase and resale of flour made from wheat, semolina and farina without additional processing and in the original containers, to Government and commercial, institutional or Government users. For sales to retail stores, "flour jobbers" must figure their ceiling prices for flour under this regulation.

(h) *Cookie and cracker wholesaler.* A "cookie and cracker wholesaler" is a wholesaler the larger part of whose food sales were, prior to the effective date of the regulation, and still are of "cookies, crackers, toast and crumbs" which he purchases for resale and distributes from a warehouse, to independent retail stores, or to commercial, industrial or institutional users.

(i) *Specialty foods.* Specialty foods shall mean food items normally classed as table delicacies or luxury items such as sea squab, terrapin stew, branded fruits, fancy imported foods, wild game, etc. which the average wholesale grocer and retailer does not stock as a complete line of merchandise.

[Paragraph (1) added by Amdt. 2]

SEC. 34. *Geographical applicability.* The provisions of this regulation shall apply to the 48 States of the United States and the District of Columbia.

ARTICLE V—TABLE AND COMMODITY DEFINITIONS

SEC. 35. *Table of markup figures (Table A).*—(a) *Instructions.* Table A (printed below) lists the commodities and the markup figures for the four classes of wholesalers covered by this regulation. For a detailed list of the items included in each category of commodities, see "Commodity definitions" printed immediately after Table A. This regulation must not be used to determine ceiling prices for the commodities listed in paragraph (c) of this section.

The commodities covered by this regulation are listed in the column at the extreme left of Table A and the four classes of wholesalers are listed across the top of Table A. To find your proper markup figure for any item, first deter-

upon or incident to a sale at wholesale of food covered by this regulation, if you state the tax separately, and if the tax statute or ordinance does not prohibit sellers from stating and collecting the tax separately from the price.

SEC. 31. *Export sales.* The ceiling prices at which a person may export any product covered by this regulation shall be determined in accordance with the applicable price regulation covering export sales, issued by the OPS.

SEC. 32. *Relation to other regulations.* The provisions of this Ceiling Price Regulation No. 14, except as otherwise provided in this regulation, shall, on and after May 14, 1951, supersede the provisions of the General Ceiling Price Regulation and any other price regulation or order issued by the OPS with respect to sales and deliveries for which ceiling prices are established by this regulation.

[Sec. 32 amended by Amdt. 1]

SEC. 33. *Definitions.*—(a) *Delivery.* Delivery to you of any item covered by this regulation shall be considered to have occurred when the item has been received by you at your usual receiving point.

(b) *Usual receiving point.* Your usual receiving point will be the warehouse at which you generally receive the particular item you are pricing under this regulation and from which you generally supply your customers.

(c) *Manufacture or otherwise process.* "Manufacture or otherwise process" shall mean blending, freezing, canning, preserving, milling, bottling, crushing, straining, roasting, centrifuging, cooking, distilling, purifying with heat, and other similar operations, and packaging of spices, tea and gelatin. Packaging as used in section 13 except spices, tea and gelatin shall not be considered manufacturing or processing under this regulation.

(d) *Independent retail store.* Independent retail store shall mean one that is not one of four or more stores under one ownership whose combined "annual gross sales" are \$750,000 or more.

(e) *Wagon wholesaler.* A "wagon wholesaler" is a wholesaler who distributes food products to retail stores or to commercial, industrial, or institutional users from an inventory stocked in trucks or other conveyances under the supervision of driver-salesmen who make deliveries at the time and point of sale. A wholesaler is a wagon wholesaler only if the food products he sells in this way.

(b) <i>Commodity definitions.</i> These definitions apply to both domestic and imported items	(c) <i>Commodities excluded from this regulation, but subject to GOCPR or other applicable regulations</i>	(d) <i>Commodities excluded from price control at wholesale and retail</i>	(e) <i>Commodities excluded from price control at wholesale and retail</i>
(1) "Baby foods" means "baby" or "junior" cereals, fruits, vegetables, meats, puddings, soups and mixtures thereof, packed in hermetically sealed containers. Not included in this definition are dry baby cereals.	(1) "Baby foods". Excluded are: Dry baby cereals.	(1) "Baby foods". Excluded are: None.	(1) "Baby foods". Excluded are: None.
(2) "Cereals, breakfast" means bulk or packaged cereal items of any size commonly used as breakfast foods, both uncooked and ready-to-eat types including but not limited to, bran flakes, farina, popped rice, and rolled oats. Not included in this definition are barley, corn meal, corn grits, hominy grits and flakes, rice and wheat bran flour.	(2) "Cereals, breakfast". Excluded are: Steel cut oats and wheat germ.	(2) "Cereals, breakfast". Excluded are: Imported "cereals, breakfast" if imported in consumer size containers.	(2) "Cereals, breakfast". Excluded are: None.
(3) "Cocoa, chocolate, and cereal drink preparations" includes, but is not limited to, coffee substitutes or extenders, chocolate, malted milk and any preparation containing 35% or more malted milk, chocolate, cocoa, or cocoa nibs, buttersweet bars, milk chocolate, chocolate syrup packed in No. 10 tin or larger, powdered skim milk packaged in tin in quart cans.	(3) "Cocoa, chocolate, and cereal drink preparations". Excluded are: Malted milk and any preparation containing 35% or more malted milk, chocolate, cocoa, or cocoa nibs, buttersweet bars, milk chocolate, chocolate syrup packed in No. 10 tin or larger, powdered skim milk packaged in tin in quart cans.	(3) "Cocoa, chocolate, and cereal drink preparations". Excluded are: Imported cocoa, chocolate and cereal drink preparations if imported in consumer size containers.	(3) "Cocoa, chocolate, and cereal drink preparations". Excluded are: None.
(4) "Coffee" means roasted coffee, whole or ground, decaffeinated coffee, coffee concentrate, and any mixtures of coffee with other products for beverage purposes. Not included in this definition is frozen coffee concentrate.	(4) "Coffee". Excluded is: Green coffee in containers of the customer's unit and weight in which they are imported into the United States.	(4) "Coffee". Excluded is: Imported coffee if imported in consumer size containers (2 pounds or less).	(4) "Coffee". Excluded is: None.
(5) "Cookies, crackers, toast and crumbs" means any baked product which you manufacture, Passover matzo meal and related Passover products, any cookie or cracker item which is purchased in consumer sizes in tin or glass containers, baked goods, fresh, such as bread, pies, cakes, rolls, doughnuts, coffee cakes, candies (except cookies, crackers, toast and crumbs), and rice crackers.	(5) "Cookies, crackers, toast and crumbs". Excluded are: Any baking product which you manufacture, Passover matzo meal and related Passover products, any cookie or cracker item which is purchased in consumer sizes in tin or glass containers, baked goods, fresh, such as bread, pies, cakes, rolls, doughnuts, coffee cakes, candies (except cookies, crackers, toast and crumbs), and rice crackers.	(5) "Cookies, crackers, toast and crumbs". Excluded are: Imported cookies, crackers and toast, if imported in consumer size containers.	(5) "Cookies, crackers, toast and crumbs". Excluded are: None.
(6) "Corn meal, hominy and flour mixes" means bulk or packaged corn meal, corn grits, hominy, hominy grits, hominy flakes, prepared hominy and bulk or packaged flour mixes milled from wheat, semolina, farina, buckwheat, corn, rice, and potatoes, including, but not limited to, prepared pancake, biscuit, pie crust and crumb-bread mix. Not included in this definition is canned hominy which is in "Vegetables and vegetable juices" canned.	(6) "Corn meal, hominy and flour mixes". Excluded are: None.	(6) "Corn meal, hominy and flour mixes". Excluded are: Water ground corn meal.	(6) "Corn meal, hominy and flour mixes". Excluded are: None.
(7) "Dog and cat food" shall not include any item prepared by you for pet food, or any frozen dog or cat food.	(7) "Dog and cat food". Excluded are: None.	(7) "Dog and cat food". Excluded are: None.	(7) "Dog and cat food". Excluded are: None.

(8) <i>Commodities excluded from price control at wholesale and retail</i>	(8) <i>Commodities excluded from this regulation, but subject to GOCPR or other applicable regulations</i>	(8) <i>Commodity definitions.</i> These definitions apply to both domestic and imported items	(8) <i>"Fish, processed".</i> Excluded are: Frozen fish and seafood, canned, frozen, and sea food, pastes and purées, sauce containing fish and seafood, fish roe, caviar, fish and seafood hors d'oeuvres, imported fish, processed, if imported in consumer size containers, except tuna, crabmeat and salmon. [Paragraph (d) (8) amended by Audit. 5.]
(9) "Flour". Excluded are: None.	(9) "Flour". Excluded are: None.	(9) "Flour". Excluded are: None.	(9) "Flour". Excluded are: None.
(10) "Frozen foods". Excluded are: Frozen hollandaise sauce.	(10) "Frozen foods". Excluded are: Frozen fruits, berries, fruit or berry juices and mixtures in containers of a capacity of 50 pounds, frozen fish and seafood, frozen meat poultry, ice cream, sherbet and frozen confections.	(10) "Frozen foods" means bulk or packaged (in any size) flour milled from wheat, semolina, farina, buckwheat, corn, rice, and potatoes, including but not limited to, all-purpose family flour, self-rising flour, cake flour, and enriched flour. Not included in this definition are all flour mixes.	(10) "Frozen foods". Excluded are: Frozen fruits, berries, fruit or berry juices and mixtures in containers of a capacity of 50 pounds, frozen fish and seafood, frozen meat poultry, ice cream, sherbet and frozen confections.
(11) "Fruits, berries and fruit juices, canned". Excluded are: Branded or stuffed fruits or berries; whole or half citrus fruits; cocktail slices and sticks; and maraschino cherries with stems. Imported fruits, berries and fruit juices canned (except pineapple juice), if imported in consumer size containers.	(11) "Fruits, berries and fruit juices, canned". Excluded are: None.	(11) "Fruits, berries and fruit juices, canned" includes but is not limited to, apple sauce, apple cider, berry juices, concentrated fruit juices, citrus fruits and juices, cranberry jelly and sauce, fruit nectars, bulk apple cider, fruit for salad, liquid fruit beverages such as grapefruit, pineapple juice and non-carbonated lemonade, and orangeade. Not included in this definition are apple butter, fruit butters, jam, jellies, fruit preserves, coconut, olives, baby foods, dried fruits, dehydrated fruits, fruit cocktail, pineapple (except pineapple juice), peaches, pears and frozen fruits.	(11) "Fruits, berries and fruit juices, canned". Excluded are: Branded or stuffed fruits or berries; whole or half citrus fruits; cocktail slices and sticks; and maraschino cherries with stems. Imported fruits, berries and fruit juices canned (except pineapple juice), if imported in consumer size containers.
(12) "Fruit cocktail, pineapple, peaches and pears (canned) except juices". Excluded are: Branded, liquor flavored and stuffed, fruit cocktail slices or sticks, imported fruit cocktail, peaches and pears (canned) if imported in consumer size containers.	(12) "Fruit cocktail, pineapple, peaches and pears (canned) except juices". Excluded are: None.	(12) "Fruit cocktail, pineapple, peaches and pears (canned) except juices". Excluded are: None.	(12) "Fruit cocktail, pineapple, peaches and pears (canned) except juices". Excluded are: Branded, liquor flavored and stuffed, fruit cocktail slices or sticks, imported fruit cocktail, peaches and pears (canned) if imported in consumer size containers.
(13) "Fruits, dried or dehydrated". Excluded are: None.	(13) "Fruits, dried or dehydrated". Excluded are: None.	(13) "Fruits, dried or dehydrated" (track- and bulk) includes, but is not limited to, stuffed dried fruits, dried dates and figs, pitted dates and macerated dates. Not included in this definition are fruit confectios, candied or glazed fruits and peels, fresh dates and date products.	(13) "Fruits, dried or dehydrated". Excluded are: None.

(b) Commodity definitions. These definitions apply to both domestic and imported items.	(c) Commodities excluded from this regulation, but subject to G.I.P.R. or other applicable regulations.	(d) Commodities excluded from price control at wholesale and retail.	(e) Commodities excluded from this regulation, but subject to G.I.P.R. or other applicable regulations.	(f) Commodities excluded from price control at wholesale and retail.
(14) "Gelatin and pudding mixtures." Includes, but is not limited to, gelatin, gelatin desserts, tapioca, arrowroot, con-sumer ice cream mixes, reamnet, and pie fillings.	(14) "Gelatin and pudding mixtures." Excluded are: None.	(14) "Gelatin and pudding mixtures." Excluded are: Wine gelatins, wine dessert powders and all imported gelatin and pudding mixtures if imported in consumer size containers.	(14) "Gelatin and pudding mixtures." Excluded are: None.	(21) "Pickles and relishes." Excluded are: Pickled rind and imported pickles, if imported in consumer size containers.
(15) "Jams, jellies, preserves, honey and peanut butter." Includes, but is not limited to, tomato preserves, preserves, fruit butters, smooth or crunch type nut butters, honey butter or all extruded honey (including combinations of extracted and comb honey) packaged in containers of a capacity of 15 pounds or less. Not included in this definition are cranberry jelly or sauce.	(15) "Jams, jellies, preserves, honey and peanut butter." Excluded are: Honey packed with blossom and comb honey.	(15) "Jams, jellies, preserves, honey and peanut butter." Excluded are: Wine jellies, preserved kumquats, melons and fruit rind jams, jellies, preserves and honey if imported in consumer size containers.	(15) "Jams, jellies, preserves, honey and peanut butter." Excluded are: None.	(22) "Pickles and relishes." Excluded are: Bulk pickles, pickled fruits, burr cherries, stuffed pickles, and relishes prepared by the retailer.
(16) "Lard, pure." Includes, but is not limited to, rendered pork fat. Not included in this definition are lard compounds which are classed as "shortenings, other."	(16) "Lard, pure." Excluded are: None.	(16) "Lard, pure." Excluded are: None.	(16) "Lard, pure." Excluded are: None.	(23) "Pickles and relishes." Excluded are: Pickled rind and imported pickles, if imported in consumer size containers.
(17) "Macaroni and spaghetti products." Includes, but is not limited to, bows, egg "nabats," macaroni, spaghetti, vermicelli, "sea shells," noodles, macaroni dinners, spaghetti dinners, canned macaroni and spaghetti, not included in this definition are meat ravioli, tamales, dry noodle soup mixtures, spaghetti-and-meatballs, chicken-and-noodles, Chinese-style noodles, and frozen macaroni and spaghetti products.	(17) "Macaroni and spaghetti products." Excluded are: None.	(17) "Macaroni and spaghetti products." Excluded are: Imported macaroni, and spaghetti products if imported in consumer size containers.	(17) "Macaroni and spaghetti products." Excluded are: None.	(24) "Pickles and relishes." Excluded are: Bulk pickles, pickled fruits, burr cherries, stuffed pickles, and relishes prepared by the retailer.
(18) "Mayonnaise and salad dressing." Includes, but is not limited to, tartar sauce, relish spreads, other mayonnaise, and French dressing. Not included in this definition are meat spreads.	(18) "Mayonnaise and salad dressing." Excluded are: None.	(18) "Mayonnaise and salad dressing." Excluded are: None.	(18) "Mayonnaise and salad dressing." Excluded are: None.	(25) "Shortening, hydrogenated." Excluded are: None.
(19) "Meat, canned." Includes but is not limited to, canned or glass chicken products, chicken and glass turkey products, chicken and noodles, meat gravy, meat ravioli, pickled meats, luncheon meats, chili con carne, meat stews, meat spreads, and spaghetti and meat balls. Not included in this definition are pigs feet, scrapple, tamales, tripe, veal loaf, mince-meat, frozen food products in which meat, chicken, or turkey are combined with other ingredients, frozen meat gravies and frozen meat stews and pies. [Paragraph (b) (19) amended by Amdt. 5.]	(19) "Meat, canned." Excluded are: Canned breast of chicken, chicken fricassee, whole or half chicken, chicken-a-la-king, "Smithfield" ham and "Smithfield" ham products. [Paragraph (c) (19) amended by Amdt. 5.]	(19) "Meat, canned." Excluded are: Canned smoked tongue, liver, hearts, gizzards, cocktail frankfurters, canned wild game, meat or poultry pates, as used meat if imported in consumer sizes of 2 lbs. or less, except beef and beef products, pate de foie gras and rattlesnake meat.	(19) "Meat, canned." Excluded are: None.	(26) "Shortening, other." Excluded are: None.
(20) "Milk, canned." Includes, but is not limited to, condensed cow milk, including but not limited to, filled evaporated milk products.	(20) "Milk, canned." Excluded are: Goat milk, whole milk powdered, and powdered skim milk packaged in tin in an inert gas. Malated milk and any preparation containing 35% or more malated milk. Also excluded are fresh milk, cream and powdered skim milk, bulk.	(20) "Milk, canned." Excluded are: None.	(20) "Milk, canned." Excluded are: None.	(27) "Soups, canned." Excluded are: Turtle, wine and sherry-flavored, fish or seafood soups (except clam chowder), smoked turkey and game bird soups, almond, artichoke, broccoli, cucumber and watercress soups; all imported soups if imported in consumer size containers.

(b) Commodity definitions. These definitions apply to both domestic and imported items	(c) Commodities excluded from this regulation, but subject to GCPR control at wholesale and retail or other applicable regulations	(d) Commodities excluded from price control at wholesale and retail	(e) Commodities excluded from this regulation, but subject to GCPR control at wholesale and retail or other applicable regulations	(f) Commodity definitions. These definitions apply to both domestic and imported items
(31) "Tea" includes all bulk or packaged tea, tea bags and concentrated tea.	(31) "Tea". Excluded are: Assam, Darjeeling, Formosa Oolong, Ceylon, Kee-Mun, Lapsang Souchong, Jasmine, and Fancy Green Tea, and blends thereof; Mate; and sales of tea in containers of the customary unit and weight in which they are imported into the United States.	(31) "Tea". Imported tea, if imported in consumer size containers.	(31) "Tea". Excluded are: Assam, Darjeeling, Formosa Oolong, Ceylon, Kee-Mun, Lapsang Souchong, Jasmine, and Fancy Green Tea, and blends thereof; Mate; and sales of tea in containers of the customary unit and weight in which they are imported into the United States.	(31) "Tea" includes all bulk or packaged tea, tea bags and concentrated tea.
(32) "Vegetables and vegetable juices, canned" includes, but is not limited to, blackeye, crowder, cream and field peas, baked beans, wax beans, sauerkraut, rhubarb, chili sauce, cocktail sauce, canned hominy, mushrooms, mushroom sauce, tomato catsup, tomato paste, tomato puree, pinnetos, and Chinese-style foods, including soy sauce, and brown sauce. "Canned" means processed and packaged in airtight containers which are not hermetically sealed. Not included in this definition are: Vegetable soups, "baby" or "pig" foods, pickles, green beans, peas (except canned black eye, crowder, cream and field peas), sauerkraut, and julienne potatoes, french fried onions, tomatoes, tomato juice and frozen vegetables.	(32) "Vegetables and vegetable juices, canned". Excluded are: Baked beans prepared by the retailer, and potato chips.	(32) "Vegetables and vegetable juices, canned". Excluded are: Cocktail mushrooms, imported vegetables and vegetable juices canned, if imported in consumer size containers.	(32) "Vegetables and vegetable juices, canned". Excluded are: Cocktail mushrooms, imported vegetables and vegetable juices canned, if imported in consumer size containers.	(32) "Vegetables and vegetable juices, canned" includes, but is not limited to, blackeye, crowder, cream and field peas, baked beans, wax beans, sauerkraut, rhubarb, chili sauce, cocktail sauce, canned hominy, mushrooms, mushroom sauce, tomato catsup, tomato paste, tomato puree, pinnetos, and Chinese-style foods, including soy sauce, and brown sauce. "Canned" means processed and packaged in airtight containers which are not hermetically sealed. Not included in this definition are: Vegetable soups, "baby" or "pig" foods, pickles, green beans, peas (except canned black eye, crowder, cream and field peas), sauerkraut, and julienne potatoes, french fried onions, tomatoes, tomato juice and frozen vegetables.
(33) "Corn, green beans, peas, tomatoes, and tomato juice, canned". Not included in this definition are frozen vegetables and canned blackeye, crowder, cream and field peas, and wax beans. "Canned" means processed and packaged in any container whether or not hermetically sealed.	(33) "Corn, green beans, peas, tomatoes, and tomato juice, canned". Excluded are: None.	(33) "Corn, green beans, peas, tomatoes, and tomato juice, canned". Excluded are: None.	(33) "Corn, green beans, peas, tomatoes, and tomato juice, canned". Excluded are: None.	(33) "Corn, green beans, peas, tomatoes, and tomato juice, canned". Not included in this definition are frozen vegetables and canned blackeye, crowder, cream and field peas, and wax beans. "Canned" means processed and packaged in any container whether or not hermetically sealed.
(34) "Vegetables, dried and dehydrated" includes, but is not limited to, dried beans, blackeye peas, dried mushrooms, dried peas and lentils. Not included in this definition are dry soup mixes, hominy, garlic, celery flakes, onion flakes, dried chili and dried peppers.	(34) "Vegetables, dried and dehydrated". Excluded are: None.	(34) "Vegetables, dried and dehydrated". Excluded are: Imported dried and dehydrated vegetables, if imported in consumer size containers.	(34) "Vegetables, dried and dehydrated". Excluded are: Imported dried and dehydrated vegetables, if imported in consumer size containers.	(34) "Vegetables, dried and dehydrated" includes, but is not limited to, dried beans, blackeye peas, dried mushrooms, dried peas and lentils. Not included in this definition are dry soup mixes, hominy, garlic, celery flakes, onion flakes, dried chili and dried peppers.
(35) "Vinegar" (bottled or bulk) includes, but is not limited to, pure cider vinegar and distilled vinegar.	(35) "Vinegar". Excluded are: Wine, tarragon, malt and fruit vinegar (except apple).	(35) "Vinegar". Excluded are: Imported vinegars if imported in consumer size containers.	(35) "Vinegar". Excluded are: Imported vinegars if imported in consumer size containers.	(35) "Vinegar" (bottled or bulk) includes, but is not limited to, pure cider vinegar and distilled vinegar.

[Paragraphs (b) and (c) amended by Amdt. 3; paragraph (d) added by Amdt. 3]

NOTE: The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget, in accordance with the Federal Reports Act of 1942.

MICHAEL V. DESALLE,
Director of Price Stabilization.

By: J. L. DWYER,

Recording Secretary.

[F. R. Doc. 51-12420; Filed, Oct. 12, 1951; 3:44 p. m.]

[Ceiling Price Regulation 56, Amdt. 6]

CPR 56—CEILING PRICES FOR CERTAIN PROCESSED FRUITS AND BERRIES OF THE 1951 PACK**ADDITIONAL PRODUCTS COVERED AND MISCELLANEOUS CHANGES**

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (16 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 6 to Ceiling Price Regulation 56 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment extends the coverage of Ceiling Price Regulation 56 to canned apples, canned applesauce, and to most other canned and bottled fruits and berries, and fruit and berry juices not previously covered. The only major canned fruits and fruit juices not covered by this tailored regulation are pineapple and citrus. This amendment also makes many of the same changes effected by Amendment 5 to Ceiling Price Regulation 55. These changes include an expansion of section 1 (a) which provides an option for processors whose total sales in 1950 of processed fruits, berries, and vegetables totalled less than \$40,000 to price all such products under the General Ceiling Price Regulation. Similarly, section 4 has been completely revised so as to enable processors to price items not sold during the base period if any other item of the same product was sold during the base period. The reasons for these major changes are set forth in detail in the Statement of Considerations of Amendment 5 to CPR 55. This amendment to CPR 56 also effects several miscellaneous changes, corrections, and clarifications.

Specific adjustment factors for cost increases other than raw material are listed in this amendment for canned apples and for canned applesauce. The Eastern States apple canning industry informally represented to the Office of Price Stabilization that prices during the base period for canned apples and applesauce were abnormally depressed. They requested that these adjustment factors in Table I reflect allowances for these base period maladjustments. In support of this contention they supplied data on prices and costs. These data were examined to determine the extent, if any, by which earnings of all types of canners were abnormally depressed in the base period relative to the average realized in 1946-49. These four years were selected since they covered the most recent period representative of normal competitive conditions for the industry. Accordingly, the adjustment factor for canned applesauce added by this amendment to Table I of section 2 (b) for this area reflects an appropriate allowance for differences between earnings on sales during the 1948 base period and those prevailing during the entire post-war period. No allowance for an increased earnings margin was made in the adjustment factor for canned apples since the data did not indicate that any was necessary.

An over-all factor for cost increases other than raw material has been added by this amendment for all canned and bottled fruits, berries, and fruit and berry juices not previously covered. Only pineapple and citrus fruits and juices are not included. This over-all factor covers, but is not limited to, canned domestic olives, other canned fruit and berry juices, cranberries and cranberry sauce, and all other canned fruits. In some cases the over-all factor specified may prove to be inappropriate for a particular product. If information becomes available later which indicates that a separate factor is needed for a particular product, such a factor will be provided by amendment. Canners of these minor products, however, will not later be required to recalculate any ceiling prices which are determined by using the over-all factor provided by this amendment.

The raw material permitted adjustment table, Table III of section 2 (d) (1), has been amended so as to list permitted adjustments for grapes. The permitted adjustment for blackberries produced in Washington and Oregon has been increased in accordance with the public statement previously issued by the Office of Price Stabilization. This is in the nature of a "disaster adjustment" made to compensate for substantial crop losses in this producing area. It is expected that the maximum permitted raw material adjustment for apples and for olives will be added shortly. So far as olives are concerned, this figure will be available before the processing season. For the present, processors of apples may use their actual raw material cost increase or decrease in computing their raw material adjustment for apples.

Several miscellaneous changes have also been effected by this amendment. Table II of section 2 (c) has been corrected to provide the proper sugar cost adjustment for fruit cocktail. Section 2 has been conformed with CPR 55 to make it clear that processors may figure their raw material adjustment on a varietal basis provided they have maintained a distinction among varieties of a product in their sales. Section 6 (a) has been conformed with a similar provision of CPR 55. The definition of "product" in section 26 (i) has been expanded so as to include purees of the fruits and berries covered by this regulation.

It is believed that the ceiling prices established by this amendment conform to the standards set forth in section 402 of the Defense Production Act of 1950, as amended.

While formal consultation with representatives of the industry was not practicable, it is the judgment of the Director of Price Stabilization that the changes effected by this amendment reflect generally the views of the canning industry. These changes are, for the most part, the result of suggestions from the canning industry. In the judgment of the Director, the provisions of this amendment are generally fair and equitable, and are necessary to effectuate the purposes of the Defense Production Act of 1950, as amended.

AMENDATORY PROVISIONS

Ceiling Price Regulation 56 is amended in the following respects:

1. Section 1 (a) is amended as follows:

a. The following products are added to the list of products:

Canned apples.

Canned apple sauce.

Other canned fruits and canned and bottled fruit and berry juices, including canned and bottled domestic ripe and green olives, and canned cranberries and canned cranberry sauce (but excluding citrus and pineapple fruits and juices).

b. The listing of "canned berries" is amended to read as follows:

Canned berries, except cranberries.

2. Section 1 (a) is amended by adding at the end thereof the following paragraph:

If, however, your gross sales of all items of processed fruits, berries, and vegetables were less than \$40,000.00 during 1950, you may elect not to use this regulation, but if you so elect, sales of all such products remain under the General Ceiling Price Regulation (16 F. R. 808). If you elect not to determine your prices under this regulation, you shall so inform the Fruit and Vegetable Branch, Office of Price Stabilization, Washington 25, D. C., including with such notice a list of your General Ceiling Price Regulation ceiling prices for all items of fruits, berries and vegetables processed by you.

3. Table I in section 2 (b) is amended by adding the following:

Product	Area		Adjustment factors
	No.	States included	
Canned apples.....	I	All States.....	1.07
Canned apple sauce.....	I	California, Oregon, and Washington.....	1.10
	II	All other States.....	1.14
Other canned fruits and canned and bottled fruit and berry juices, including canned and bottled domestic ripe and green olives, and canned cranberries and canned cranberry sauce (but excluding citrus and pineapple fruits and juices).	I	All States.....	1.06

4. In Table II in section 2 (c) with respect to fruit cocktail, the figures under the column heading No. 2 cans are amended to read:

Extra Heavy.....	(Fancy) cut-out density of 22°-35° Brix, ".0063",
Heavy.....	(Choice) cut-out density of 18°-22° Brix, ".0046",
Light.....	(Standard) cut-out density of 14°-18° Brix, ".0030".

RULES AND REGULATIONS

5. Section 2 is amended by adding the following paragraph immediately preceding section 2 (d) (1):

If you have customarily maintained a distinction among varieties in your sales of items of a product, you may figure a separate raw material adjustment for each variety.

6. Table III in section 2 (d) (1) is amended in the following respects:

a. The permitted adjustment for blackberries in dollars per unit is amended in the third column to read "+.099."

b. The following raw materials are added to the table:

Raw material	Area	Unit	Permitted adjustment in dollars per unit
Thompson seedless grapes...	All States	Ton	+31.60
All other grapes	California	Ton	+38.50
	New Mexico, Colorado, Wyoming, Montana, Arizona, Utah, Idaho, Nevada, Washington and Oregon.	Ton	+46.00
	All other States	Ton	+33.00

7. Section 4 is amended to read as follows:

SEC. 4. Ceiling prices for processors who did not sell the item during the base period but who sold other items of the product during that period. This section covers the pricing of items which cannot be priced under sections 2 or 3.

(a) *Pricing an item by comparison with other items appearing on your price list.* This paragraph provides a method for pricing an item you did not sell during the base period by making a comparison between the opening price for that item and for a "comparison item" as quoted in your price list. The "comparison item" is limited to an item of the product for which you determine a ceiling price under sections 2 or 3. Your "price list" means the first written opening price list from among your lists for 1950, 1949 or 1948 (in that order) on which the comparison item and the item being priced both appear.

(1) *Items which differ only in container size or type.* You shall select as a "comparison item" from your price list that item differing only in container size or type which is nearest in container size to the item being priced. No. 10 and No. 3 cylinder sizes shall neither be priced nor used as comparison items under this subparagraph. To obtain your ceiling price, you shall

(i) Divide the price on your price list for the item being priced by the price on your price list for the comparison item.

(ii) Multiply the ceiling price as determined under sections 2 or 3 for the comparison item by the quotient obtained in subdivision (i) of this subparagraph. The result is your ceiling price for the item being priced.

(2) *Items which differ only in grade.* You shall select as a "comparison item" from your price list that item differing only in grade which is nearest in price to the item being priced. Substandard grades shall neither be priced nor used as comparison items under this subparagraph. To obtain your ceiling price, you shall

(i) Divide the price on your price list for the item being priced by the price on your price list for the comparison item.

(ii) Multiply the ceiling price as determined under sections 2 or 3 for the comparison item by the quotient obtained in subdivision (i) of this subpara-

graph. The result is your ceiling price for the item being priced.

(3) *Items which differ in variety, style of pack, size, count, or packing medium (syrup, juice or water).* You shall select as a "comparison item" from your price list that item differing in variety, style of pack, size, count, or packing medium (syrup, juice or water), which may or may not also differ in grade or container size, which is nearest in price to the item being priced. Substandard grades shall neither be priced nor used as comparison items under this subparagraph. To obtain your ceiling price, you shall

(i) Divide the price on your price list for the item being priced by the price on your price list for the comparison item.

(ii) Multiply the ceiling price as determined under sections 2 or 3 for the comparison item by the quotient obtained in subdivision (i) of this subparagraph. The result is your ceiling price for the item being priced.

(b) *Ceiling prices for items of a product in new container sizes.* If you are unable to calculate your ceiling price for an item under paragraph (a) of this section and if you can obtain a "comparison item", you shall calculate your ceiling price under this paragraph. Your "comparison item" is the item of the same product (i) for which you are able to figure a ceiling price under sections 2, 3, or 4 (a) even though you no longer sell the product in that container size, (ii) which differs from the item being priced only in container size, and (iii) which is nearest in container size to the item being priced but is not more than 75 percent larger or smaller in size. Then to obtain your ceiling price, you shall

(1) Obtain the f.o.b. factory ceiling price per dozen containers for the comparison item.

(2) Subtract from subparagraph (1) of this paragraph the "container cost" per dozen containers of the comparison item. "Container cost" means the current net cost to the processor, delivered at his factory, of containers, caps, labels and proportionate shipping cartons.

(3) Divide the label weight of the item being priced by the label weight of the comparison item.

(4) Multiply the figure determined under subparagraph (2) by the quotient obtained in subparagraph (3) of this paragraph.

(5) Add to the result of subparagraph (4) of this paragraph the current "container cost" per dozen containers of the item being priced. The result is your ceiling price f.o.b. factory, per dozen containers of the item being priced.

(c) *Pricing items for which ceiling prices cannot be calculated under paragraphs (a) and (b).* If you are unable to calculate your ceiling price for an item under paragraph (a) or (b) of this section but are able to calculate ceiling prices for other items of the same product under sections 2, 3, or paragraph (a) or (b) of this section, you shall calculate your ceiling price for the item being priced in the following manner:

(1) Select as a "comparison item" an item of the same product for which you have calculated a ceiling price under sections 2, 3, or paragraph (a) or (b) of this section and which differs from the item being priced in one or more of the following respects: container size, container type, grade, style of pack, count, packing medium (syrup, juice or water). This comparison item shall be the item of the product whose "current direct cost" per dozen containers is closest to that of the item being priced. "Current direct cost" means the sum of the amounts (not higher than permitted by law) which it costs you for direct processing labor, ingredients, and packaging materials.

(2) Determine the "current direct cost" per dozen containers of the comparison item.

(3) Determine the "current direct cost" per dozen containers of the item being priced.

(4) Divide the current direct cost of the item being priced by the current direct cost of the comparison item.

(5) Multiply the ceiling price for the comparison item selected in subparagraph (1) of this paragraph by the quotient obtained in subparagraph (4) of this paragraph. The result is your ceiling price for the item being priced.

8. Section 6 (a) is amended to read as follows:

(a) If you are unable to figure your ceiling price for an item under sections 2, 3, or 4 of this regulation, you shall use as your ceiling price for the item the simple average of the ceiling prices for the item of the three processors of the item located nearest your factory in the same pricing area as defined in section 2 (a) (3) and who have determined their ceiling prices under sections 2, 3, or 4 of this regulation. If there are less than three processors in the area, use the simple average of the two available ceiling prices. If there is only one ceiling price available, you may use such price. If you are unable to secure the ceiling prices of these processors, you shall apply to the Fruit and Vegetable Branch, Office of Price Stabilization, Washington 25, D. C., for individual authorization of a ceiling price in accordance with section 7 of this regulation.

9. Section 26 (i) Definition of "product" is amended to read:

"Product" means the common and usual name of a finished food processed

from a fruit or berry covered by this regulation, and includes the purees processed therefrom, but does not include baby food, junior foods, jams, jellies, marmalades, or preserves.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective October 20, 1951, or such earlier date between October 15, 1951, and October 20, 1951, as you may select. If you select an earlier date with respect to any product added by this amendment, this amendment becomes effective as to you upon that date for all such products. If you select an earlier date with respect to any item of a product the ceiling price of which is recalculated under Ceiling Price Regulation 56 as amended by this amendment, this amendment becomes effective as to you upon that date for all items of that product.

Note: The record-keeping and reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

OCTOBER 15, 1951.

[F. R. Doc. 51-12468; Filed, Oct. 15, 1951;
11:34 a. m.]

[Ceiling Price Regulation 22, Collation 3]

CPR 22—MANUFACTURERS' GENERAL CEILING PRICE REGULATION

COLLATION 3—INCLUDING AMENDMENTS 1-27

Ceiling Price Regulation 22 is republished to incorporate the text of Amendments 1 through 27, inclusive. Ceiling Price Regulation 22 was issued April 25, 1951 (16 F. R. 3562). Statements of Consideration for Ceiling Price Regulation 22, and for Amendments 1-27, inclusive, as previously published, are applicable to this republication. The effective dates of this regulation and the amendments are shown in a note preceding the first section of the regulation.

REGULATORY PROVISIONS

COVERAGE

Sec.

1. Sellers and sales covered by this regulation.

CEILING PRICES ESTABLISHED

2. Ceiling prices established by this regulation.

CEILING PRICES FOR COMMODITIES DEALT IN BETWEEN JULY 1, 1949, AND JUNE 24, 1950

3. How to determine your ceiling price for a commodity you sold or offered for sale between July 1, 1949 and June 24, 1950.

BASE PERIOD PRICE

4. Base period.
5. Category.
6. How to obtain your base period price.

HOW TO CALCULATE THE LABOR COST ADJUSTMENT

7. General description of how to calculate "the labor cost adjustment".
8. How to calculate "the labor cost adjustment" upon the basis of your entire business.

Sec.

9. How to calculate "the labor cost adjustment" upon the basis of a unit of your business.

HOW TO CALCULATE THE MATERIALS COST ADJUSTMENT

10. Manufacturing material.
11. General description of the methods available.
12. Omission of certain manufacturing materials from your calculations.
13. Method 1 (Aggregate method).
14. Method 2 (Individual commodity method).
15. Method 3 (Product line method using best selling commodity).
16. Method 4 (Composite bill of materials method).
- 16a. Option to propose a method.

SPECIAL INSTRUCTIONS TO BE FOLLOWED IN CAL- CULATING THE MATERIALS COST ADJUSTMENT

17. General nature of these instructions.
18. How to compute the net cost to you of a manufacturing material as of a prescribed date.
19. How to compute net cost as of the applicable prescribed dates where you are using a substitute material not used during the base period or used in lesser quantities.
20. Inclusion of transportation costs in the computation of net cost of a manufacturing material as of a prescribed date.
21. Calculation of the increase in net cost per unit of materials covered by Appendix C.
22. How to calculate "the materials cost adjustment" for joint products or by-products.
23. How to calculate the change in net cost of a manufacturing material which is produced in one unit of your business and transferred to another unit of your business.

SPECIAL PROVISIONS RELATING TO CEILING PRICES

24. General nature of these provisions.
25. Rounding ceiling prices.
26. Retention of GPCR ceiling price where the change in price is less than 1 percent.
27. Requirement for reduction of your ceiling prices as otherwise determined for any increase in value of scrap or waste material.
28. Adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs.
29. Optional method for determining a uniform ceiling price for a commodity manufactured in more than one plant.

CEILING PRICES FOR NEW COMMODITIES, NEW SELLERS AND SALES TO NEW CLASSES OF PUR- CHASERS

30. Ceiling prices for new commodities differing only by reason of minor changes from commodities whose ceiling prices are established under this regulation.
31. Optional method for determining ceiling prices for packaged commodities to reflect cost increases since your base period by changing size or quantity.
32. Ceiling prices for new commodities falling within categories dealt in during your base period.
33. Ceiling prices for commodities in new categories, for new sellers and for sales to an entirely new class of purchaser.

MISCELLANEOUS PROVISIONS

34. Sellers who cannot price under other sections.
35. Export sales.
36. Excise, sales, and other similar taxes.

Sec.

37. Prohibition against redetermination of ceiling prices.
38. Modification of ceiling prices by the Director of Price Stabilization.
39. Recalculation of ceiling prices and announcement of "materials cost increase factors".
40. Adjustable pricing.
41. Petitions for amendment.
42. Supplementary regulations.
43. Adjustment of ceiling prices where overall loss in operations results.
44. Use of "conversion steel" in calculating "the materials cost adjustment".
45. Temporary adjustments to carry out existing contracts.
46. Records and reports.
47. Definitions and explanations.
48. Prohibitions.
- 48a. Transfer of business or stock in trade.
49. Charges lower than ceiling prices.
50. Evasion.
51. Violation.

AUTHORITY: Sections 1-51 issued under 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

DERIVATION: Sections 1-51 contained in Ceiling Price Regulation 22, April 25, 1951 (16 F. R. 3562) except as otherwise noted in brackets following text affected.

EFFECTIVE DATES: The mandatory effective date of this regulation is postponed until further action by the Director of Price Stabilization. You may, however, elect to make this regulation effective as to you as of any date between May 28, 1951, and the date of such further action by the Director. If you select such an earlier effective date, this regulation becomes effective as to you upon that date for all of your commodities covered by this regulation.

- Amendment 1, May 28, 1951, 16 F. R. 4105.
- Amendment 2, May 16, 1951, 16 F. R. 4439.
- Amendment 3, May 28, 1951, 16 F. R. 4642.
- Amendment 4, May 28, 1951, 16 F. R. 4967.
- Amendment 5, May 28, 1951, 16 F. R. 5009.
- Amendment 6, May 28, 1951, 16 F. R. 5010.
- Amendment 7, June 1, 1951, 16 F. R. 5168.
- Amendment 8, June 8, 1951, 16 F. R. 5477.
- Amendment 9, June 20, 1951, 16 F. R. 5752.
- Amendment 10, June 19, 1951, 16 F. R. 5864.
- Amendment 11, June 26, 1951, 16 F. R. 5931.
- Amendment 12, June 21, 1951, 16 F. R. 5940.
- Amendment 13, June 29, 1951, 16 F. R. 6375.
- Amendment 14, June 28, 1951, 16 F. R. 6307.
- Amendment 15, July 2, 1951, 16 F. R. 6509.
- Amendment 16, July 17, 1951, 16 F. R. 6773.
- Amendment 17, July 19, 1951, 16 F. R. 7149.
- Amendment 18, August 1, 1951, 16 F. R. 7408.
- Amendment 19, August 1, 1951, 16 F. R. 7408.
- Amendment 20, July 31, 1951, 16 F. R. 7590.
- Amendment 21, August 31, 1951, 16 F. R. 7931.
- Amendment 22, August 15, 1951, 16 F. R. 8109.
- Amendment 23, August 25, 1951, 16 F. R. 8348.
- Amendment 24, September 11, 1951, 16 F. R. 9074.
- Amendment 25, October 1, 1951, 16 F. R. 9224.
- Amendment 26, September 22, 1951, 16 F. R. 9508.
- Amendment 27, September 15, 1951, 16 F. R. 9655.

[Effective date of CPR 22 amended by Amdts. 6, 20 and 21; effective date of Amdt. 25 amended by Amdt. 27]

COVERAGE

SECTION 1. Sellers and sales covered by this regulation. This regulation

covers you if you are a manufacturer located in the United States (not including territories or possessions) or the District of Columbia. It applies to any sale of any commodity as to which you are the manufacturer, except sales of commodities listed in Appendix A and sales at retail. With these exceptions, the General Ceiling Price Regulation is superseded by this regulation as to manufacturers in the United States or the District of Columbia. If, however, your gross sales for your last complete fiscal year were less than \$250,000 you may elect not to use this regulation, but if you so elect, you may not use this regulation for any of your commodities.

CEILING PRICES ESTABLISHED

SEC. 2. Ceiling prices established by this regulation. This regulation establishes ceiling prices for commodities dealt in between July 1, 1949 and June 24, 1950, and for new commodities introduced subsequent to June 24, 1950. There are also special provisions relating to (a) rounding ceiling prices, (b) retention of ceiling prices established under the General Ceiling Price Regulation where the change in price is less than 1 percent, (c) reduction of ceiling prices to reflect any increase in the value of scrap or waste material, (d) adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs, and (e) adjustment of ceiling prices for commodities manufactured in more than one of your plants.

CEILING PRICES FOR COMMODITIES DEALT IN BETWEEN JULY 1, 1949 AND JUNE 24, 1950

SEC. 3. How to determine your ceiling price for a commodity you sold or offered for sale between July 1, 1949 and June 24, 1950. (a) Your ceiling price to your largest buying class of purchaser for sale of a commodity which you sold or offered for sale at any time between July 1, 1949 and June 24, 1950, is your base period price for the commodity, plus "the labor cost adjustment" and "the materials cost adjustment". Section 47 (Definitions) explains the meaning of "your largest buying class of purchaser". Sections 4 through 6 tell how to obtain your base period price. Sections 7 through 9 tell how to calculate "the labor cost adjustment". Sections 10 through 16 tell how to calculate "the materials cost adjustment". If you do not wish to make either of these calculations you may use your base period price as your ceiling price to your largest buying class of purchaser. If you wish to calculate only one of the adjustments you may do so, in which case you will add only the amount of that one adjustment to your base period price.

(b) Your ceiling price for sale of the commodity to your largest buying class of purchaser must be consistent in every respect with your base period price, e. g., it must carry all customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale.

(c) Your ceiling price for sale of the commodity to your other classes of purchasers to whom you made sales during your base period is determined by applying your price differentials last used during your base period. In the event you made no base period sales to a particular class of purchaser, you apply your customary differentials in effect during your base period, or if none, then those last in effect before your base period. If you are selling to an entirely new class of purchaser you determine your ceiling price under section 33 for that class of purchaser. For each class of purchasers you must maintain all customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale which you had in effect during your base period. An explanation of what is meant by "class of purchaser" is found in section 47 (Definitions).

BASE PERIOD PRICE

SEC. 4. Base period. "Base period" refers to the period April 1 through June 24, 1950 or any previous calendar quarter ended not earlier than September 30, 1949, which you may elect to use. Whatever base period you elect must be used for all commodities in the same category. There is an exception in case of a commodity which you did not deliver during that base period, and which you did not make the subject of a written offer for delivery during that base period, and for which you did not have a price list in effect during that base period. In that case you may use for that commodity any other base period permitted under this section.

SEC. 5. Category. "Category" refers to a group of commodities which are normally classed together in your industry for purposes of production, accounting or sales. This is the same definition as used in section 4 (c) of the General Ceiling Price Regulation. You may, however, exclude from any category any commodity or group of related commodities for which the base period you have elected to use for the category is unrepresentative because of special seasonal characteristics of that commodity or group of related commodities. In that case, treat the commodity or related group of commodities as constituting a separate category.

SEC. 6. How to obtain your base period price. Your base period price for a commodity is obtained as follows:

(a) If, during your base period, you delivered the commodity or contracted in writing to sell the commodity at a firm price, you find the highest price to your largest buying class of purchaser at which such a delivery or such a contract of sale was made.

(b) If you did not make such a delivery or contract, you find the highest price at which you made a written offer for base period delivery to your largest buying class of purchaser.

(c) Instead of the price under paragraph (a) or (b) of this section you may use your price, to your largest buying

class of purchaser, which you announced in writing in a price list, catalogue, or similar statement showing your prices for one or more commodities. To use this paragraph (c) you must either have announced the prices during your base period, or have announced them previously and had them in effect during your base period. Also you must have communicated the prices to the trade or a substantial number of customers in your customary way. Further, you must have made substantial deliveries at these prices after your written announcement of the prices. If you use this paragraph (c) for any commodity you must also use it for all other commodities covered by the same announcement.

(d) If your base period price includes any excise, sales or other similar tax which is not separately stated, you must follow the instructions contained in section 36.

(e) If your base period price is expressed as a list price less discounts, you may make the adjustments of the base period price under section 3 (a) upon the basis of the net price to your largest buying class of purchaser.

Example: Your base period "list" price for commodity A is \$12 less a 20 percent discount to your largest buying class of purchaser. "The labor cost adjustment" and "the materials cost adjustment" which you are permitted to add to your base period price total \$3.84. You first take 80 percent of \$12, thus applying the 20 percent discount. The resulting amount, \$9.60, plus \$3.84 equals \$13.44, your "net" ceiling price to your largest buying class of purchaser. You can figure your "list" ceiling price by dividing your "net" ceiling price (\$13.44) by the same percentage (80 percent), giving \$16.80. Applying the 20 percent discount to your largest buying class of purchaser gives you \$13.44, or your "net" ceiling price to that class of purchaser.

(f) If, during your base period you customarily produced the same commodity at two or more manufacturing establishments of your business and sold it at different prices depending upon the place of production, you must obtain a separate base period price and determine a separate ceiling price for each such establishment.

HOW TO CALCULATE THE LABOR COST ADJUSTMENT

SEC. 7. General description of how to calculate "the labor cost adjustments". Sections 8 and 9 tell how to calculate "the labor cost adjustment". The calculations under both sections are designed to yield an average percentage increase in your factory labor cost based upon net sales and factory payroll data for your last fiscal year ended not later than December 31, 1950. This percentage is referred to as your "labor cost adjustment factor". Under section 8, the net sales and factory payroll data are for your entire business and the labor cost adjustment factor will be applied uniformly to the base period prices of all of your commodities. Under section 9, the net sales and factory payroll data are for a unit of your business and the labor cost adjustment factor will be applied uniformly to the base period prices

of all commodities produced in that unit. If the commodities produced in the several units of your business have experienced significantly different labor cost increases, it will probably be to your advantage to use section 9 so as to reflect these differences more appropriately.

SEC. 8. How to calculate "the labor cost adjustment" upon the basis of your entire business. To calculate "the labor cost adjustment" upon the basis of your entire business, you do the following:

(a) Find the dollar amounts of your net sales and of your factory payroll for your entire business for your last fiscal year ended not later than December 31, 1950. You may not include in factory payroll, labor used in general administration, sales and advertising, or research, or in making major repairs or replacement of plant or equipment or in expansion of plant or equipment. Labor used in factory supervision, packaging and handling, ordinary maintenance and repair of plant or equipment, or in materials control, testing or inspection may, however, be included.

(b) Divide the dollar amount of your factory payroll found under paragraph (a) of this section by the dollar amount of your net sales found under (a). This will show what percentage your factory payroll is of your net sales. This percentage is referred to as your "labor cost ratio".

(c) Find the dollar amount of your factory payroll, as limited in paragraph (a) of this section, for your last payroll period ended not later than the end of your base period (if your base period is April 1 through June 24, 1950, you should use your last payroll period ended not later than June 30, 1950). The term "end of your base period" is explained in section 47 (Definitions). This payroll is referred to as "your base period payroll". Compute what the dollar amount of your base period payroll would have been upon the basis of your wage rates in effect on March 15, 1951. This is referred to as "your recomputed payroll". You may add to your recomputed payroll a dollar amount to reflect, for the labor covered by that payroll, any increase between the end of your base period and March 15, 1951, in the cost to you of insurance plans, pension contributions for current work, paid vacations and similar "fringe benefits". You may also add to your recomputed payroll a dollar amount to reflect, for the labor covered by that payroll, any increase between the end of your base period and March 15, 1951, in the cost to you of required payments under the Federal Insurance Contributions Act, the Federal Unemployment Tax Act and any state or local unemployment or compensation law. You may not include in your recomputation of your base period payroll any wage increase or "fringe benefit" granted or determined after March 15, 1951, even though, for example, such wage increase or "fringe benefit" is retroactive to March 15, 1951, or any prior date, and is pursuant to a contract in effect on March 15, 1951. You may make the calculations called for by this

paragraph in whatever appropriate way is best adapted to your accounting records and your basis of wage payments, e. g., hourly rates, piece-work, or any other system of wage payments used by you.

[Paragraph (c) amended by Amdts. 10 and 26]

(d) Divide the dollar amount of the difference between your recomputed payroll and your base period payroll by your base period payroll. The resulting percentage is referred to as your "wage increase factor."

(e) Multiply your labor cost ratio derived under paragraph (b) of this section by your wage increase factor derived under paragraph (d) of this section. The resulting percentage is referred to as your "labor cost adjustment factor."

(f) Multiply the base period price of the commodity being priced by your labor cost adjustment factor. The resulting amount is "the labor cost adjustment" to be added to the base period price in accordance with section 3 (a).

(g) If you use this section, it must be used for all of your commodities.

Example: (a) Your fiscal year is the calendar year. Your net sales for the twelve months ended December 31, 1950, were \$1,000,000. Your factory payroll for the year was \$300,000 (the required exclusions having been made in arriving at this figure).

(b) \$300,000 divided by \$1,000,000 is 30 percent. This is your labor cost ratio.

(c) Your factory payroll for the week ended June 24, 1950, was \$6,000 (the required exclusions having been made in arriving at this figure). At wage rates in effect March 15, 1951, the payroll would have been \$6,500. In addition you have also granted longer paid vacations and a more liberal insurance plan which amounts to the equivalent of two and one-half cents per hour. The number of hours covered by your base period payroll was 4,000. Consequently the increased "fringe benefits" add an extra \$100 per week to your factory labor cost for the March 15 period. This makes your recomputed payroll at March 15 wage rates \$6,600, or a total increase of \$600.

(d) \$600 divided by \$6,000 is 10 percent. This is your wage increase factor.

(e) 30 percent multiplied by 10 percent is 3 percent. This is your labor cost adjustment factor.

(f) If your base period price was \$100, you multiply \$100 by 3 percent, giving \$3, "the labor cost adjustment".

SEC. 9. How to calculate "the labor cost adjustment" upon the basis of a unit of your business. To calculate "the labor cost adjustment" upon the basis of a unit of your business, you do the following:

(a) Find the dollar amounts of your net sales and of your factory payroll for your last fiscal year ended not later than December 31, 1950, relating to a unit of your business for which you regularly maintain separate accounts and in which the commodity being priced is produced. You must include in net sales the value, as shown on your records, of any transfer of a commodity or material from that unit to another unit of your business. If your records do not show a value you may not use this section. The provisions of section 8 (a) as to what may be included in factory payroll apply.

(b) Using the data found under paragraph (a) of this section you make the calculations prescribed in paragraphs (b), (c), (d), (e) and (f) of section 8, for the unit of your business to which the data relate. This will give you "the labor cost adjustment" to be added to the base period price in accordance with section 3 (a).

(c) This section may be used only for commodities produced in the particular unit of your business to which the net sales and factory payroll data relate, and must be used for all commodities produced in that unit.

HOW TO CALCULATE THE MATERIALS COST ADJUSTMENT

SEC. 10. Manufacturing material. You will need to become familiar with the term "manufacturing material" in the following sections. It refers to a material entering directly into the commodity being priced or used directly in the manufacturing processes from which the commodity results, together with packaging materials, containers (other than returnable containers), purchased fuel, steam or electric energy, and sub-contracted industrial services which are directly related to the manufacture of the commodity. The term does not include materials or sub-contracted industrial services used in replacing, maintaining or expanding your plant and equipment, nor other materials or supplies the use of which is not directly dependent upon the rate at which you manufacture the commodity being priced.

SEC. 11. General description of the methods available. (a) There are four alternative methods available to you for calculating "the materials cost adjustment." You should use the one best suited to your particular situation. Only manufacturing materials may be taken into account in your calculations and you will measure their change in cost to you between prescribed dates. You are permitted, however, to omit any manufacturing material which is not significant or whose cost has not decreased between the prescribed dates. This section contains only general descriptions, as an aid in understanding. The exact provisions which are in the following sections are controlling.

(b) (1) **Method 1.** Method 1 allows you to measure the increase in your manufacturing materials costs upon the basis of a unit of your business not larger than a plant, or, if you have only one plant, upon the basis of your entire business. Under this method, which is set forth in section 13, you calculate a percentage increase in your manufacturing materials costs upon the basis of net sales and materials put into production during a yearly accounting period. If you make the calculations upon the basis of your entire business, you apply the percentage increase uniformly to all of your commodities. If the calculations are upon the basis of separate units of your business, you apply the percentage increase for each unit uniformly to all of the commodities produced in that unit. There are specific limitations upon the use of this method where you

have had significant substitution of materials.

(2) *Method 2.* Method 2 is for an individual commodity and is based upon the increase in your unit manufacturing materials cost for that commodity. Under this method "the materials cost adjustment" will ordinarily differ for each commodity. You should probably use this method, therefore, if the various commodities you produce have had substantially different material cost increases since the end of your base period, or vary widely from each other in the ratio between unit manufacturing materials cost and sales price. This method, however, is more burdensome because it requires a separate calculation for each commodity.

(3) *Method 3.* Method 3 is for a product line and is based upon the increase in your unit manufacturing materials cost for the best selling commodity in the product line. A percentage figure for this increase is derived which is applied to the base period price of each commodity in the product line. This method may be more appropriate than Method 2 if you have a number of closely related commodities whose material cost increases have been about the same.

(4) *Method 4.* Method 4 may also be used for a product line or it may be used for a category. It is based upon the increase in the cost of the bill of materials used in producing the goods sold during an accounting period of three months or less. Like Methods 1 and 3 it yields a uniform materials cost adjustment factor for all commodities in the product line or category. If your records are in a form which permits you to use this method, you may find it simpler to apply than Method 1.

(c) You may select whichever one of the four methods you consider best suited to the nature of your business and most adaptable to the records you maintain. If you select the first, third, or fourth method, you must use it for each commodity in the particular unit of business involved (or for all of your commodities if your calculations are based upon your entire business), product line or category.

SEC. 12. Omission of certain manufacturing materials from your calculations. Under any of the four alternative methods which you use for calculating "the materials cost adjustment" you may omit from your calculations any manufacturing material which is not significant or whose cost to you has not decreased between the prescribed dates. Consequently, a reference to "each manufacturing material" under any of the four methods means each such material you are including in your calculations.

SEC. 13. Method 1 (Aggregate method). To calculate "the materials cost adjustment" under this method, you do the following:

(a) Find the dollar amount of your net sales for your last fiscal year ended not later than December 31, 1950, for your entire business, or for a unit of your business for which you regularly maintain accounts and in which the commodity being priced is produced. You

may not, however, use your entire business for this calculation if you operate more than one plant. Nor may you use a unit of your business which includes the output of more than one plant, although you may use a unit less inclusive than a plant. If you use a unit of your business, you must include in net sales the value of any commodity or material transferred from that unit to another unit of your business. The value shall be that shown in your records. If your records do not show a value, you may not use that unit of your business for making your calculations.

(b) Multiply the physical amount of each manufacturing material which you used during the same fiscal year either in your entire business or in a unit of your business, whichever you are calculating on, by the dollars-and-cents amount of the change in net cost per unit of the material to you between the end of your base period and December 31, 1950. The term "end of your base period" is explained in section 47 (Definitions). For any material listed in Appendix B you may figure the change to March 15, 1951, and for any material listed in Appendix C you may include the increase to any current date subject to the limitations in section 21. Before starting to figure the change in net cost per unit of the material, you should read carefully the instructions contained in sections 17 through 23.

(c) Add together the resulting figures derived under paragraph (b) of this section which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. Subtract the total of the decreases from the total of the increases.

(d) Divide the final figure derived under paragraph (c) of this section by the amount of your net sales found under paragraph (a) of this section. The resulting percentage is referred to as your "materials cost adjustment factor".

(e) Multiply the base period price of the commodity being priced by your materials cost adjustment factor. This will give "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

(f) If you use this section and your calculations are based upon your entire business, the materials cost adjustment factor which you derive must be used for all of your commodities. If your calculations are based upon a particular unit of your business, the materials cost adjustment factor which you derive must be used for all commodities produced in that unit and may not be used for commodities produced in any other unit of your business.

(g) You may not use this section if you have replaced, in any significant degree, the materials used by you during your base period with lower-priced substitute materials. (For example, if you are a manufacturer of rubber automobile tires, and you are now using a significantly larger percentage of synthetic rubber than you did in your base period, you may not use Method 1.)

SEC. 14. Method 2 (Individual commodity method). To calculate "the ma-

terials cost adjustment" under this method, you do the following:

(a) Find the physical amount of each manufacturing material which you normally used in your base period per unit of the commodity being priced.

(b) Multiply this physical amount of each of these manufacturing materials by the change in its net cost per unit to you between (1) the last day of the base period you elected for the commodity being priced and (2) December 31, 1950. For any material listed in Appendix B you may figure the change to March 15, 1951, and for any material listed in Appendix C you may figure the change to a current date subject to the limitations in section 21. Before starting to figure the change in net cost, you should read carefully the instructions contained in sections 17 through 23.

(c) Add together the resulting figures derived under paragraph (b) of this section which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. The difference between these totals is "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

Example: The commodity you are pricing uses three different manufacturing materials. For each unit of the commodity, you require 5 pounds of material A, 10 pounds of material B, and 1 gallon of material C. Before Korea, material A cost you \$1.00 per pound, material B \$2.00 per pound and material C \$0.50 per gallon. Your net cost per unit of material A on your last invoice before December 31, 1950 was \$1.50 and for material B it was still \$2.00. Material C is listed in Appendix B; your last invoice prior to March 15, 1951 was \$1.00 per gallon. Your increase for material A was, therefore, 5 multiplied by 50 cents (the difference between \$1.50 and \$1.00) or \$2.50. Material B has not changed in price and may, therefore, be omitted. For material C, 1 gallon multiplied by 50 cents equals 50 cents. In addition, the commodity was enameled for you by an outside contractor at a cost of \$1.00 per unit before Korea, and the price for the service as of March 15, 1951 was \$1.25, a difference of 25 cents. Your materials cost increase for the commodity is, therefore, \$2.50 for material A, 50 cents for material C, and 25 cents for the enameling service, or a total of \$3.25. This is "the materials cost adjustment".

SEC. 15. Method 3 (Product line method using best selling commodity). This method is essentially the same as Method 2 except that the calculations are made for the best selling commodity in a product line. To calculate "the materials cost adjustment" under this method, you do the following:

(a) Select the best selling commodity in the product line of which the commodity being priced is a part.

(1) "Product line" refers to a group of closely related commodities which differ in such respects as style, model or size and which are normally classed together as a product line in your industry. Generally speaking, each commodity in the same product line must serve the same purpose and must be made by the same manufacturing process from substantially the same materials. A product line may never be broader than a category and usually will be narrower. The relationship between the commodi-

ties will normally be substantially closer in a product line than in a category. For example, stripped, standard and deluxe models of refrigerators are separate product lines, but a single category.

(2) "The best selling commodity" refers to the commodity in a product line which accounted for the greatest dollar volume of sales in the product line in your base period.

(b) Using the best selling commodity, make the calculations prescribed in section 14. This will give "the materials cost adjustment" for the best selling commodity, i. e., the amount to be added to its base period price.

(c) Divide "the materials cost adjustment" by the base period price of the best selling commodity. The resulting percentage is referred to as your "materials cost adjustment factor."

(d) Apply your materials cost adjustment factor to the base period price of each commodity in the product line. The resulting figure for each commodity is "the materials cost adjustment" to be added to the base period price of that commodity in accordance with section 3 (a).

(e) If you use this section it must be used for each commodity in the product line for which you have made your calculations.

Example: You have three commodities in a product line, whose base period prices were \$8, \$10 and \$12, respectively. The best selling item was the \$10 commodity. "The materials cost adjustment" for that commodity calculated under section 14 was \$2, or 20 percent. "The materials cost adjustment" for the \$8 commodity is, therefore, 20 percent of \$8, or \$1.60, and for the \$12 commodity, 20 percent of \$12, or \$2.40.

Sec. 16. Method 4 (Composite bill of materials method). Under this method you make your calculations for the increase in your manufacturing materials cost for a product line or a category. To calculate "the materials cost adjustment" under this method, you do the following:

(a) Find the total net sales of all commodities in the product line or category for your last complete accounting period of three months or less ended not later than the last day of your base period (or if your base period is April 1 through June 24, 1950, ended not later than June 30, 1950). You must include in net sales the value, as shown in your records, of any transfer of a commodity in that product line or category to another unit of your business. If your records do not show a value, you may not use this section for that product line or category.

(b) Find the total physical amount of each manufacturing material used in producing the commodities in that product line or category sold in that accounting period. (Note that, in contrast to Method 1, you find here the physical bill of materials used in producing the goods sold in a short accounting period; while, under Method 1, you find the aggregate quantities of materials used, i. e., put into the production process, in an annual accounting period).

(c) Multiply this total physical amount by the dollars-and-cents change,

between (1) the end of your base period and (2) December 31, 1950, in net cost to you per unit of the material used. For any material listed in Appendix B you may figure the change to March 15, 1951 and for any material listed in Appendix C you may figure the change to a current date subject to the limitations in section 21. Add together the resulting figures which represent increases in net cost. Do the same with the resulting figures which represent decreases in net cost. The difference between these totals is your increase in manufacturing materials cost. Before starting to figure the change in net cost you should read carefully the instructions contained in sections 17 through 23.

(d) Divide your increase in manufacturing materials cost derived under paragraph (c) of this section by the amount of your net sales found under paragraph (a) of this section. This percentage is referred to as your "materials cost adjustment factor."

(e) Apply your materials cost adjustment factor derived under paragraph (d) of this section to the base period price of the commodity being priced. The resulting figure is "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

(f) You may use this section only if you use it for each commodity included in the product line or category.

SEC. 16a. Option to propose a method. If you have not already filed Public Form No. 8 showing computations made in accordance with the provisions of this regulation and believe that none of the four alternative methods available to you for calculating the "materials cost adjustment" can practicably be used by you, you may propose a substitute method in the manner specified in the following paragraph of this section. It is the opinion of the Director of Price Stabilization that the four methods offered provide adequate alternatives for all businesses, and a substitute plan will be considered only in exceptional cases of multi-product manufacturers whose established accounting practices and system of materials control and distribution are of such a nature as to make the use of any of the four alternative methods extremely difficult. This must be affirmatively shown in the application. Your proposed method must follow the same general techniques, definitions and limitations as the four alternative methods already provided and must achieve the same basic results.

You should submit your proposed method in writing to the Office of Price Stabilization, Washington 25, D. C., stating the reasons why you believe it appropriate and necessary, and why none of the four alternative methods can practicably be used by you, and setting forth in detail the steps to be taken under your proposed method. You may, if you prefer, submit your proposed method without actually calculating your ceiling prices under it, but you must show why the proposed method will reach the same basic results as any of the four alternative methods. Unless and until the Director of Price Stabilization approves

your proposal in writing you may not use it.

[Sec. 16a added by Amdt. 26]

SPECIAL INSTRUCTIONS TO BE FOLLOWED IN CALCULATING THE MATERIALS COST ADJUSTMENT

SEC. 17. General nature of these instructions. Section 18 will apply to your calculations irrespective of which of the four alternative methods you use. Sections 19 through 23 may be applicable to you depending upon whether you are covered by certain described situations which are briefly indicated by the section heading and opening sentence of the section.

SEC. 18. How to compute the net cost to you of a manufacturing material as of a prescribed date. Under any of the four alternative methods you may use for calculating "the materials cost adjustment," you must figure the change, between prescribed dates, in the net cost to you per unit of each manufacturing material included in your calculations. (The earlier "prescribed date" is June 24, 1950, or another date depending on the base period you elected. The later "prescribed date" is December 31, 1950, March 15, 1951 or a current date as permitted by section 21). To determine the net cost to you per unit of a manufacturing material as of a prescribed date, you use the first of the following prices available to you. In no event may the price you use be in excess of the ceiling price under a ceiling price regulation in effect on the date of issuance of this regulation. If you use paragraphs (c), (d), (e), (f), (g) or (h) of this section, you must disregard any price based upon a departure from your normal buying practices. Such a departure would include quantities smaller than those you usually purchase or contract for, or use of a more distant or different class or supplier (other than the United States), or use of subcontracted industrial services in an amount in excess of that used in your base period. For example, you must disregard any price based upon a change in your source of supply from a manufacturer to a reseller or warehouseman or from a domestic to a foreign source of supply. Likewise, you must disregard any price which is based upon a purchase of conversion steel, except as permitted in section 44.

[Sec. 18 amended by Amdt. 10]

(a) The exchange quotation for the nearest monthly contract as of the close of business on the prescribed date (or the nearest preceding date for which such a quotation is available) for any commodity traded regularly upon a commodity exchange operating under the jurisdiction of the Commodity Exchange Authority or the Sugar Exchanges and you must use the quotation for both of the prescribed dates. Also you must use the same commodity exchange for both of the prescribed dates. If the commodity is one which is not itself quoted on such an exchange, but another grade of that commodity is so quoted, you may use the exchange quotation for such other grade provided you do so for both of the prescribed dates.

(b) The selling price for rubber as of the prescribed date established by an agency of the United States Government.

(c) The net price per unit of the material shown on the invoice for the last delivery of the material to you prior to the prescribed date. If, however, the delivery was received more than 30 days prior to the prescribed date or was pursuant to a contract bearing a firm price entered into more than 60 days prior to the prescribed date, you may not use this paragraph (c). If within 30 days prior to each of the applicable prescribed dates, you received more than one delivery of the same manufacturing material, you must use an average price for each such date. You obtain this average price by dividing the net amount you paid for all deliveries of the material during each of the 30-day periods by the total number of units of the material delivered to you during each period. In obtaining this average price you should not include any delivery made pursuant to a contract bearing a firm price entered into more than sixty days prior to the prescribed date. The average price for each period is the price you use for each of the respective prescribed dates. The term "30 days" as used in this paragraph means either a period of 30 consecutive days or an accounting month customarily used by you, provided that it is the last accounting month terminating not later than the applicable prescribed date. Where the applicable prescribed date is June 24, 1950 you may use an accounting month terminating not later than June 30, 1950.

[Paragraph (c) amended by Amdt. 3]

(d) The net price per unit of the material stipulated in the written contract for the material which you entered into last prior to the prescribed date, provided that it was entered into not more than 60 days prior thereto.

(e) The net price per unit of the material stipulated in the written offer for sale of the material to you made last prior to the prescribed date provided that the offer was made within 60 days prior to the prescribed date and that you still have the written offer or obtain a copy of it from the offeror.

(f) The net price per unit of the material shown on the invoice for the last delivery of the material to you. You may elect not to use this pricing method if you believe that the material cost change determined under this paragraph does not reflect the appropriate change in your cost of any material.

[Paragraph (f) added by Amdt. 10]

(g) The net price per unit of the material stipulated in the written contract for the material which you entered into last prior to the prescribed date. You may elect not to use this pricing method if you believe that the material cost change determined under this paragraph does not reflect an appropriate change in your cost of any material.

[Paragraph (g) added by Amdt. 10]

(h) The net price per unit of the material stipulated in the written offer for sale of the material to you made last

prior to the prescribed date, provided that you still have the written offer or obtain a copy of it from the offeror. You may elect not to use this pricing method if you believe that the material cost change determined under this paragraph does not reflect an appropriate change in your cost of any material.

[Paragraph (h) added by Amdt. 10]

(i) If none of the foregoing is available to you for one or both of the applicable prescribed dates, you may apply to the Director of Price Stabilization, Washington 25, D. C., for an appropriate increase in the cost of the manufacturing materials for use in your calculations. If you make such an application, you must refer specifically to this paragraph; you must describe the commodity being priced and the manufacturing material; you must propose the amount of increase per unit of the manufacturing material you consider appropriate based upon what you would have paid for the material if you had purchased it on each of the applicable prescribed dates; you must set forth in detail supporting reasons and why this paragraph is applicable. You must file this application before using the increase you propose. Although you need not await a reply from the Director of Price Stabilization, he may at any time disapprove the increase you propose, stipulate the amount of increase which he will approve or request additional information.

[Paragraph (i) formerly Par. (f); amended by Amdt. 3, redesignated by Amdt. 10]

SEC. 19. *How to compute net cost as of the applicable prescribed dates where you are using a substitute material not used during the base period or used in lesser quantities.* In the case of a substitute material not used by you during the base period (or used in lesser quantities or proportions) in the manufacture of the commodity being priced, you must, if you are using Methods 2, 3, or 4 for calculating "the materials cost adjustment", compute the net cost to you as of the end of your base period of the physical amounts of the materials normally used by you in your base period and the net cost to you as of December 31, 1950, March 15, 1951, or a current date, whichever date is applicable, of the physical amounts of the materials normally used by you now. The physical amounts of those materials normally used by you in your base period and now must relate to the same quantity of production of the commodities being priced in the case of Method 4, to a unit of the commodity being priced in the case of Method 2, and to a unit of the best selling commodity in the case of Method 3. Since this calculation cannot be made accurately under Method 1 (section 13), you may not use that method for any unit of your business in which you are now using significant quantities of a substitute material whose current unit cost is lower than the current unit cost of the material used by you during the base period. However, if the current unit cost of the substitute material is the same or higher than the current unit cost of the material used by you during the base period, you may use Method 1, but without mak-

ing any allowance for the higher cost of the substitute material.

[Sec. 19 amended by Amdt. 3]

SEC. 20. *Inclusion of transportation costs in the computation of net cost of a manufacturing material as of a prescribed date.* If a quotation, invoice, contract, or written offer which you use under section 18 did not include transportation costs for delivery of the material to you, you may add the actual amount of the transportation costs which you paid or would have paid for delivery of the material to you, provided that you include them in your determination of the net price of the material as of both dates.

SEC. 21. *Calculation of the increase in net cost per unit of materials covered by Appendix C—(a) General description of this section.* You will be concerned with this section only if a manufacturing material you propose to include in your calculations of "the materials cost adjustment" is one of the agricultural commodities listed in Appendix C or a product processed therefrom. Appendix C lists certain agricultural commodities selling below the minimum prices required to be reflected to producers by section 402 (d) (3) of the Defense Production Act of 1950. The following paragraphs of this section contain, among other things, special instructions relating to the particular dates to be used in your calculations of cost increases of these commodities.

(b) *Calculation by manufacturers of food products.* If the commodity you are pricing is a food product you may, subject to the limitations in paragraph (d) and (g) of this section, use a current date in figuring the change in net cost per unit of any of the agricultural commodities listed in Appendix C, or of any food products processed from these listed agricultural commodities.

[Paragraph (b) amended by Amdt. 16]

(c) *Calculation by manufacturers of non-food products.* (1) If the commodity you are pricing is a non-food product you may, subject to the limitations in paragraph (d) and (g) of this section, use a current date in figuring the change in net cost per unit of any of the agricultural commodities listed in Appendix C, but you must use March 15, 1951, as the date for figuring the change in net cost per unit of any products processed from those listed agricultural commodities.

[Paragraph (c) amended by Amdt. 16]

(2) If the commodity you are pricing is made in whole or in substantial part from a product processed from a listed agricultural commodity, and you believe that the increase in cost to you, since March 15, 1951, of that processed product is due to an increase in the price of the listed agricultural commodity, you may apply to the Director of Price Stabilization for permission to adjust your ceiling price to reflect that increase in price. Your application must describe the commodity being priced and specify its ceiling price; and must contain a statement based upon a report from your supplier as to what portion of the in-

crease in his price to you of that processed product is directly attributable to the increase in price of the listed agricultural commodity. If the Director of Price Stabilization is satisfied that the information submitted by you shows that only the amount of the increase in price of the listed agricultural commodity is reflected in the adjustment you seek, he will approve your application. If, however, he is not satisfied that you have made such a showing, he may withhold approval of your application and require that you furnish additional information. If thirty days after mailing your application you have not received a reply from the Director of Price Stabilization, you may sell at the adjusted ceiling price you propose until such time as you are notified otherwise by the Director.

(d) *Limitations on calculations by all manufacturers; removal from listing.* After you have made your first calculations under this section, you may become entitled to increase the ceiling price of the commodity being priced, if the cost to you of a listed agricultural commodity (or product processed therefrom) has increased. However, in any event, you may not, in figuring the change in net cost of a listed agricultural commodity (or product processed therefrom), use any date subsequent to the date of deletion of the listed agricultural commodity from Appendix C by the Director of Price Stabilization.

[Paragraph (d) amended by Amdt. 16]

(2) *Removal from listing.* You may not, in figuring the change in net cost of a listed agricultural commodity or product processed therefrom use any date subsequent to the date of deletion of the listed agricultural commodity from Appendix C by the Director of Price Stabilization or any date more than five days subsequent to the date upon which the Secretary of Agriculture announces for the agricultural commodity, by publication in "Agricultural Prices," a price which equals or exceeds both (i) the parity price as set forth in the same publication and (ii) the highest price received by producers of the agricultural commodity during the period May 24 to June 24, 1950, inclusive, both as determined and adjusted by him.

(e) *Definition of "food product".* The term "food product" refers to a commodity used for, or as an ingredient in, food, drink, confectionery, or condiment by man or other animals, whether simple, mixed, or compound; and fats and oils used for cooking purposes or in the preparation of food for immediate consumption.

(f) *Special provisions for cooperatives, producer-processors, etc.* (1) This subparagraph applies to you if you are a producer-processor, and you cannot otherwise determine your "materials cost adjustment" for a listed agricultural commodity under paragraphs (b) or (c) of this section because you do not customarily purchase any amount of that commodity from independent producers wholly unaffiliated with you. In that case, calculate your "materials cost adjustment" as follows: For purposes of paragraphs (b) or (c) of this section, use

as your net cost per unit the same prices (with adjustment for differences in delivery costs) paid by your nearest competitor. That competitor must be one who receives delivery of the same quality of the commodity as you do, in the same quantities (baskets, tons, carloads, etc.), at firm prices for processing. However, you may not increase the ceiling price after the date set out in paragraph (d) as the final date that may be used by other processors for figuring changes in net cost. In addition, you must make the report required by paragraph (g) before increasing your ceiling price.

(2) This subparagraph applies to you if you are a processor who purchases the listed agricultural commodity under "open" price or deferred payment contracts which relate the price you pay the producer to facts unknown both at the time the raw agricultural commodity is delivered to you and at the time of sale of the processed product, and you cannot otherwise determine your "materials cost adjustment" for a listed agricultural commodity under paragraph (b) or (c) of this section because you do not customarily purchase any amount of that commodity at prices finally determined at the time of sale. In that case calculate your "materials cost adjustment" as follows: For purposes of paragraph (b) or (c) of this section, use as your net cost per unit the same prices (with adjustment for differences in delivery costs) paid by your nearest competitor. That competitor must be one who receives delivery of the same quality of the commodity as you do, in the same quantities (baskets, tons, carloads, etc.), at firm prices for processing. However, you may not increase the ceiling price after the date set out in paragraph (d) of this section as the final date that may be used by other processors for figuring changes in net cost. In addition, you must make the report required by paragraph (g) of this section before increasing your ceiling price.

(3) This subparagraph applies to you if you are a producer-owned cooperative processor, and you cannot otherwise determine your "materials cost adjustment" for a listed agricultural commodity under paragraph (b) or (c) of this section because you do not customarily purchase any amount of that commodity from independent producers wholly unaffiliated with you. In that case you may increase your ceiling price (as determined under the other sections of this regulation) for products processed from such commodities if the entire dollar-and-cent increase in total gross sales revenue derived from that increase in your ceiling price is passed back to producers within 30 days after the end of each normal accounting period. The amount so passed back must be in addition to the full amount you would normally have passed back to producers had you sold the processed product at the ceiling price determined under the other sections of this regulation. You may not, however, increase your ceiling price after the date set out in paragraph (d) of this section as the final date that may be used by other processors for figuring changes in net

cost. In addition, you must make the report required by paragraph (g) of this section before increasing your ceiling price.

[Paragraph (f) amended by Amdts. 2 and 16]

(g) *Required report.* You may not increase your ceiling price under the provisions of this section above that price initially determined pursuant to the provisions of this regulation unless and until you place in the mail a registered letter, addressed to the Director of Price Stabilization, Washington 25, D. C., containing the following information:

(1) If it is not necessary for you to use section 21 (f) in determining your ceiling prices, you report:

(i) Your existing ceiling price and the description of the commodity.

(ii) The paragraph number in section 18 of this regulation under which you compute your net cost for the manufacturing material, or a designation of the other section under which you compute your net cost.

(iii) The net cost per unit of material, determined under the section mentioned in subdivision (ii) of this subparagraph, used in calculating your last ceiling price under this regulation.

(iv) The net cost per unit of material, determined under the section mentioned in subdivision (ii) of this subparagraph, for the current date.

(v) The increased ceiling price.

(2) If you are a processor who uses either section 21 (f) (1) or (2) in determining your ceiling prices, you report:

(i) The name and address of your nearest competitor selected pursuant to section 21 (f) (1) or (2).

(ii) Your existing ceiling price.

(iii) Your nearest competitor's net cost per unit (for the material) last used by you in calculating under this section 21.

(iv) Your nearest competitor's net cost per unit (for the material) on the current date.

(v) The increased ceiling price.

(3) If you are a processor who uses section 21 (f) (3) in determining your ceiling prices, you report:

(i) The amount retained by you per unit of the processed commodity sold in the last normal accounting period before the end of your base period.

(ii) The amount passed back to producers per unit of the processed commodity sold in the last normal accounting period before the end of your base period.

(iii) The amount retained by you per unit of the processed commodity sold in the most recent normal accounting period.

(iv) The amount passed back to producers per unit of the processed commodity sold in the most recent normal accounting period.

[Paragraph (g) amended by Amdt. 16]

SEC. 22. *How to calculate "the materials cost adjustment" for joint products or by-products.* This section will concern you only if you manufacture joint products or by-products. If two or more commodities result from the same manufacturing operation or from common materials and you are unable

to compute the unit manufacturing materials costs for each under section 14, you calculate "the materials cost adjustment" for each as follows:

(a) Establish an appropriate combined unit of production in which are represented the several commodities in the proportions in which they result from the same manufacturing operation or from common materials. (For example, if a manufacturing operation yields, for each ton of commodity A produced, 3 gallons of commodity B and 520 pounds of commodity C, your combined unit of production could be: one ton of A, three gallons of B and 520 pounds of C; or one gallon of B, $\frac{1}{3}$ ton of A and 173.3 pounds of C; or any other combination in which the proportions among the three commodities are maintained.)

(b) Find the dollar value of the combined unit of production using base period prices for each commodity, determined in accordance with section 3. (If the base period price for commodity A was \$10 per ton, for commodity B was \$1 per gallon and for commodity C was \$0.10 per pound, the dollar value of the combined unit of production would be \$65 under the first example in (a) above and \$21.67 under the second example in (a) above.)

(c) Using the same calculations as in section 14 (substituting, of course, the combined unit of production for the unit referred to therein), compute the increase in manufacturing materials cost per combined unit of production.

(d) Divide the increase in manufacturing materials cost per combined unit of production by the dollar value of that unit as determined under paragraph (b) of this section.

(e) Apply this percentage to the base period price of each of the commodities being priced. The resulting figure for each commodity is "the materials cost adjustment" to be added to the base period price in accordance with section 3 (a).

Example: The total increase in manufacturing materials cost for the combined unit of production illustrated in paragraph (b) above, calculated in accordance with section 14, is \$13. \$13 divided by \$65 is 20 percent. Consequently, "the materials cost adjustment" for commodity A is 20 percent of \$10, or \$2 per ton; for commodity B is 20 percent of \$1, or 20 cents per gallon; and for commodity C is 20 percent of \$0.10, or 2 cents per lb.

SEC. 23. How to calculate the change in net cost of a manufacturing material which is produced in one unit of your business and transferred to another unit of your business. (a) You will be concerned with this section if you are a multi-unit organization and in your operations you transfer products for further processing or assembly between units of your business for which you regularly maintain separate records. By way of illustration, such transfers may be between departments, plants, branches or divisions. This section deals specifically with a manufacturing material which you produce in one unit of your business and transfer to another unit of your business where it is used in producing the commodity being priced. Such a manufacturing material

(which is referred to as a "transferred material") may also be sold to other persons. This section provides three methods for figuring the change in cost of a transferred material in your calculation of "the materials cost adjustment" for the commodity being priced. The method you use depends first on how you calculated "the labor cost adjustment" for the commodity being priced and second, on whether you also sell the transferred material to other persons.

(b) If you calculated "the labor cost adjustment" for the commodity being priced upon the basis of your entire business or of a unit of your business that included the unit in which the transferred material is produced, you may not in calculating the change in cost of that material include any increase in factory labor cost. Your calculation of the change in cost of the transferred material will therefore only take into account changes in the costs of the manufacturing materials directly related to the transferred material. Such change in cost of the transferred material will be included in your calculation of "the materials cost adjustment" for the commodity being priced.

(c) If your calculation "the labor cost adjustment" for the commodity being priced was not based upon your entire business or upon a unit of your business that included the unit in which the transferred material is produced and if the transferred material is one you sell to other persons, you calculate its change in cost as follows:

(1) Find its base period price (i. e., to your largest buying class of purchaser).

(2) Find its ceiling price under this regulation to your largest buying class of purchaser, or if it is not subject to this regulation, its ceiling price under the applicable ceiling price regulation.

[Subparagraph (2) amended by Amdt. 24]

(3) The difference between the figure found under (2) and that found under (1) is the increase or decrease in the cost of the transferred material which you use in calculating "the materials cost adjustment" for the commodity being priced.

(d) If your calculation of "the labor cost adjustment" for the commodity being priced was not based upon your entire business or upon a unit of your business that included the unit in which the transferred material is produced and if that material is not one you sell to other persons you calculate its change in cost as follows:

(1) Find the value as shown in your records at which the transferred material was transferred, last prior to the end of your base period (i. e., the base period for the commodity being priced), to the unit of your business in which the commodity being priced is produced.

(2) Using that transfer price as your base period price, determine what the ceiling price would be under this regulation, or such other regulation as would be applicable.

(3) The difference between the figure found under (2) and that found under (1) is the increase or decrease in cost

of the material to be used in calculating "the materials cost adjustment" for the commodity being priced.

Example: You are pricing a camera the lens for which you produce. The following paragraphs illustrate the application of the three methods prescribed in section 23.

(a) You have treated the department in which the camera is assembled and the department in which the lens is produced as a single unit in computing "the labor cost adjustment" for the camera. You purchase on the outside the optical glass used in the lens. "The materials cost adjustment" for the camera may include, as far as the lens is concerned, only the change in cost of the purchased optical glass.

(b) In calculating "the labor cost adjustment" for the camera you used only the assembly department. You also sell the lens to others and calculated "the labor cost adjustment" for the lens upon the basis of the lens department. Therefore, in calculating "the materials cost adjustment" for the camera, the change in cost of the lens will be the difference between your ceiling price for the lens under this regulation to your largest buying class of purchaser, and your base period price for the lens to that class of purchaser.

(c) Assume the same facts as in (b) except that you produce the lens exclusively for your own use. You must compute what the ceiling price for the lens would be under this regulation, using the value at which the transfer between departments was made on your books last prior to the end of the base period. The difference between your computed ceiling price and your base period transfer value is the amount you use in calculating "the materials cost adjustment" for the camera.

(e) If you cannot calculate the change in cost of the transferred material under the preceding paragraphs of this section, or if the use of such paragraphs would not result in an appropriate change in cost, you may apply to the Director of Price Stabilization, Washington 25, D. C., for an appropriate change in the cost of the transferred material for use in your calculations. If you make such an application, you must refer specifically to this paragraph; you must describe the commodity being priced and the transferred material; you must propose the amount of increase per unit of the transferred material you consider appropriate; you must set forth in detail supporting reasons and why this paragraph is applicable. You must file this application before using the increase you propose. Although you need not await a reply from the Director of Price Stabilization, he may at any time disapprove the increase you propose, stipulate the amount of increase which he will approve or request additional information.

[Paragraph (e) added by Amdt. 24]

SPECIAL PROVISIONS RELATING TO CEILING PRICES

SEC. 24. General nature of these provisions. Sections 25 through 29 relate to adjustments of your ceiling prices under certain circumstances. Section 25 relates to rounding ceiling prices. Section 26 relates to retention of ceiling prices established under the General Ceiling Price Regulation where the change in price is less than 1 percent. Section 27 requires that you reduce your ceiling prices to reflect any increase in the value

of scrap or waste material generated in your manufacturing processes. Section 28 permits you to adjust your ceiling prices quoted on a delivered basis for certain increases in transportation costs. Section 29 provides an optional method for adjusting your ceiling prices for commodities manufactured in more than one of your plants.

SEC. 25. Rounding ceiling prices. You may round your ceiling prices determined under this regulation so that they will be expressed in the nearest cents or fraction of cent you normally employ. If you elect to do so you must similarly round the ceiling prices for all your commodities normally priced by you upon the same basis, to reflect decreases as well as increases. In no event may the increase be greater than 1 percent of your ceiling price prior to rounding. For example, if you normally quote to the nearest quarter of a cent and your ceiling price for commodity A is 21.20 cents, you may round that ceiling price to 21¼ cents. However, if your ceiling price for commodity B is 27.30 cents you must round its ceiling price to 27¼ cents.

SEC. 26. Retention of GCPR ceiling price where the change in price is less than 1 percent. If your ceiling price for a commodity as determined under section 3 differs by less than 1 percent from that under the General Ceiling Price Regulation, you may continue to use your GCPR ceiling price. However, you may use this section only if you apply it to all your ceiling prices determined under section 3 differing by less than 1 percent from the GCPR ceiling prices, regardless of whether decreases or increases result. For example, your GCPR ceiling price for commodity A is \$10 and your ceiling price under section 3 is \$9.95. Your GCPR ceiling price for commodity B is \$8 and your ceiling price under section 3 is \$8.05. You may continue to use \$10 as your ceiling price for commodity A, but if you do so you must continue to use \$8 as your ceiling price for commodity B.

SEC. 27. Requirement for reduction of your ceiling prices as otherwise determined for any increase in value of scrap or waste material. (a) You will be concerned with this section if in the manufacturing process relating to the commodity being priced you generate any scrap or waste material which you sell to other persons or which is transferred from one unit of your business to another, and if, between the end of your base period and March 15, 1951, there has been an increase in the value of such scrap or waste material. However, you need not make the adjustment called for in this section unless your sales of scrap or waste material are significant. They will be considered significant if, for the plant or other unit of your business in which the commodity being priced is produced, the value of your sales or transfers of scrap or waste material exceeded 3 percent of the total value of your sales or transfers of all commodities from that plant or unit during your most recent fiscal year ended not later than December 31, 1950.

(b) In the circumstances described in paragraph (a) of this section where your sales of scrap or waste material are significant you must make an appropriate reduction in the ceiling prices for each of the commodities resulting from your manufacturing process to reflect the dollars-and-cents amount by which the value of the scrap or waste material generated in the manufacturing process has increased between the end of your base period and March 15, 1951. In calculating this increase in value you should use a method comparable to the one you employed for your calculation of "the materials cost adjustment" for the commodity being priced. For instance, if you used Method 2 (section 14) you should calculate the increase in value of your scrap or waste material per unit of the commodity being priced; if you used Method 1 (section 13) you should calculate the increase in value of your scrap or waste material by an aggregate method. The resulting dollars-and-cents amount reflecting the increase in value of your scrap or waste material per unit must be subtracted from your ceiling price as otherwise determined under this regulation.

SEC. 28. Adjustment of ceiling prices quoted on a delivered basis for increases in transportation costs. If your base period price was, and therefore your ceiling price is, a delivered price, you may adjust your ceiling price to reflect any increase, between the end of your base period and March 15, 1951, in transportation costs incurred by you (not including warehousing charges). You may include in this adjustment only increases resulting from transportation charges paid by you to other persons (excluding any person who is an employee, subsidiary or affiliate of yours or of whom you are a subsidiary or affiliate). This adjustment is made in the following manner:

(a) Where your base period price for the commodity being priced included full transportation costs from point of shipment to point of delivery, you may adjust your ceiling price by the exact amount of the increase in transportation rates to you between such points, charged by the same carrier or class of carrier for the same class of transportation. You may not include any increase due to changing the class of carrier (e.g., from water or highway to rail) or to changing your customary method or quantity of shipment.

(b) Where your base period price was uniform within defined geographical zones but you maintained an established differential between each zone, you may calculate a transportation cost increase adjustment to be applied to the ceiling price for sales to each zone. This calculation is made in the following manner:

(1) Find the average transportation charge paid by you for deliveries of the commodity being priced to each zone during your last accounting period of not less than three months, ended not later than the end of your base period. If your base period is April 1 through June 24, 1950, you should use your last accounting period of not less than three

months, ended not later than June 30, 1950.

(2) Find what the average transportation charge paid by you for deliveries of that commodity to each zone would be, using the transportation rates actually in effect on March 15, 1951.

(3) The dollars-and-cents amount of the difference between the average transportation charge found under (2) and that found under (1) for each zone may be added to your ceiling price for sales to that zone.

(c) Where your base period price was uniform for all sales of the commodity being priced to any destination within the United States, you may calculate a single transportation cost increase adjustment to be applied to the ceiling price for all sales within the United States in the same manner as under paragraph (b) of this section, treating the United States as a single zone.

SEC. 29. Optional method for determining a uniform ceiling price for a commodity manufactured in more than one plant. If the commodity being priced is manufactured in more than one of your plants and is customarily sold by you at a uniform price, but in adjusting the base period price for each plant different ceiling prices result, you may compute a uniform ceiling price. To do this, you first determine the ceiling price for each plant and multiply it by the number of units of the commodity sold from that plant during the last quarter of 1950. You then divide the total dollar amount of such sales from all plants by the total number of units sold from all plants. The resulting figure is your uniform ceiling price for the commodity. If sales from any of your plants in the last quarter of 1950 were not substantial, you may use the last three consecutive months of substantial sales in 1950, provided that you use the same period for all your plants.

Example: You are producing the same commodity in two plants, and customarily charge the same price from each. However, due to a difference in your wage rate changes, your ceiling price for plant A is \$2.00, and for plant B is \$2.10. Sales during the last quarter of 1950 were 1500 units from plant A, and 1000 units from plant B. 1500 multiplied by \$2.00 is \$3,000; 1000 multiplied by \$2.10 is \$2,100; 1500 plus 1000 is 2500; \$3,000 plus \$2,100 is \$5,100; \$5,100 divided by 2500 is \$2.04. You may therefore use the uniform ceiling price of \$2.04 for sales from both plants.

CEILING PRICES FOR NEW COMMODITIES, NEW SELLERS AND SALES TO NEW CLASSES OF PURCHASERS

SEC. 30. Ceiling prices for new commodities differing only by reason of minor changes from commodities whose ceiling prices are established under this regulation—(a) *Ceiling price for a commodity first offered for sale between June 25, 1950, and the day prior to the effective date of this regulation.* The ceiling price for a commodity first offered for sale by you between June 25, 1950 and the day prior to the effective date of this regulation, differing from a commodity you dealt in during the period July 1, 1949 to June 24, 1950, only by reason of

a minor change in design or construction which does not reduce unit manufacturing materials cost or prevent its offering fairly equivalent service, shall be the ceiling price for the previous commodity established under this regulation. If you are no longer manufacturing the previous commodity, you must establish a ceiling price for it in accordance with this regulation and use that ceiling price as the ceiling price for the commodity being priced. If the new commodity differs from the previous commodity only by reason of the use of a substitute material the new commodity must be priced under section 3.

[Paragraph (a) amended by Amdt. 6]

(b) *Ceiling price for a commodity first offered for sale on or subsequent to the effective date of this regulation.* The ceiling price for a commodity first offered for sale by you on or subsequent to the effective date of this regulation, differing from a commodity for which your ceiling price is established under this regulation only by reason of minor changes in material, design or construction which do not reduce unit manufacturing materials cost or prevent its offering fairly equivalent service, shall be the ceiling price for the previous commodity as established under this regulation. If you are no longer manufacturing the previous commodity, you must establish a ceiling price for it in accordance with this regulation and use that ceiling price as the ceiling price for the commodity being priced.

[Paragraph (b) amended by Amdt. 6]

SEC. 31. Optional method for determining ceiling prices for packaged commodities to reflect cost increases since your base period by changing size or quantity. This pricing method may be used in place of section 32 under the circumstances indicated herein. If you wish to use your base period price for a packaged commodity as your ceiling price and to reduce the size or quantity of that commodity to reflect any permissible cost increases since the end of your base period, you may do so in the following manner:

(a) Determine your ceiling price for the commodity in its base period size or quantity.

(b) Calculate the ratio between your base period price for the commodity and your ceiling price.

(c) Apply this ratio to the base period size or quantity of the commodity. The resulting size or quantity is the minimum for which you may use your base period price as your ceiling price.

Example: Your base period price for a 10-ounce package of commodity A was 25 cents and you wish to retain that price as your ceiling price. Your ceiling price for a 10-ounce package of commodity A as determined under this regulation is 30 cents. 25 cents divided by 30 cents is 83.3 percent. 10 ounces multiplied by 83.3 percent is 8 and one-third ounces. Your ceiling price for a package of commodity A containing not less than 8 and one-third ounces is therefore 25 cents.

SEC. 32. Ceiling prices for new commodities falling within categories dealt in during your base period—(a) Descrip-

tion of the pricing method. This section deals with a commodity which cannot be priced under sections 3 or 30, but which falls within a "category" in which you dealt during your base period. You determine your ceiling price by applying to the current unit direct cost of that commodity the percentage markup over the current unit direct cost of a "comparison commodity" (using your ceiling price for the comparison commodity under this regulation), in accordance with the following instructions.

(b) *Current unit direct cost.* "Current unit direct cost" as used in this section means the sum of the amounts (not higher than permitted by law) which it costs you, or if you are not currently producing it, would cost you for direct labor and materials to produce the commodity at the time you use the pricing method provided by this section. Current unit direct materials cost shall be computed upon the basis of current replacement prices for materials and current unit direct labor cost shall be computed upon the basis of current wage rates for direct labor. The method used in computing current unit direct materials cost and current unit direct labor cost for the new commodity and for the comparison commodity shall be the same in every respect.

(c) *Selection of a comparison commodity.* The comparison commodity to be used must be in the same category as the commodity being priced and shall be the first of the following which is available to you:

(1) A commodity dealt in during your base period differing from the commodity being priced only by reason of a minor change in size or quantity or of packaging.

(2) A commodity dealt in during your base period that you are now manufacturing which is most nearly like the commodity being priced and which has current unit direct cost the same or lower than that of the commodity being priced.

(3) A commodity dealt in during your base period that you are no longer manufacturing which is most nearly like the commodity being priced and whose current unit direct cost would be the same or lower than that of the commodity being priced.

(4) A commodity dealt in during your base period that you are now manufacturing which is most nearly like the commodity being priced and whose current unit direct cost is next higher to that of the commodity being priced.

(5) A commodity dealt in during your base period that you are no longer manufacturing which is most nearly like the commodity being priced and whose current unit direct cost would be next higher to that of the commodity being priced.

(d) *Calculations to determine your ceiling price.* Having selected the appropriate comparison commodity, you determine your ceiling price as follows:

(1) Determine your ceiling price for sale of the comparison commodity to your largest buying class of purchaser if you are now manufacturing it, or what it would be if you are no longer manufac-

turing it, using either sections 3 or 30 of this regulation, whichever is applicable.

(2) Determine the current unit direct cost of the comparison commodity, if you are now manufacturing it, or what it would be, if you are no longer manufacturing it.

(3) Subtract the current unit direct cost derived under (2) from the ceiling price derived under (1). This will give the gross dollar margin over current unit direct cost for the comparison commodity.

(4) Divide this gross dollar margin over current unit direct cost by the current unit direct cost of the comparison commodity. This will give the percentage markup over current unit direct cost for the comparison commodity.

(5) Apply this percentage markup to the current unit direct cost of the commodity being priced. This is your ceiling price for sale of that commodity to your largest buying class of purchaser. It must be consistent in every respect with the ceiling price for the comparison commodity, i. e., it must carry your customary delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, servicing terms and other terms and conditions of sale. Your ceiling price for sale of the commodity to each of your other classes of purchasers shall be determined in the same manner as under section 3 (c).

Example: (i) Your comparison commodity is one you are no longer manufacturing. You find that its ceiling price under this regulation would be \$10. (ii) The current unit direct cost of the comparison commodity would be \$6. (iii) \$6 subtracted from \$10 is \$4. This is the current gross dollar margin over direct cost for the comparison commodity. (iv) \$4 divided by \$6 is 66.7%. This is the percentage margin over direct costs for the comparison commodity. (v) The current unit direct cost for the commodity being priced is \$7.50. 66.7% of \$7.50 is \$5.00. \$7.50 plus \$5.00 is \$12.50. This is your ceiling price for the commodity being priced.

(e) *Category.* Category means a group of commodities which are normally classed together in your industry for purposes of production, accounting or sales. Section 46 of this regulation continues in effect certain provisions of section 16 of the General Ceiling Price Regulation which among other things prescribes that you must prepare and preserve a list of your categories. If the list you have prepared is not representative of your categories during your base period for this regulation, you should prepare such a list by the effective date of this regulation and thereafter preserve it. In applying the pricing provisions of this section, you should refer to it. You might, for example, have a category such as one of the following: desks, office, steel; desks, office, wood; dishwashers, domestic; ranges, domestic, electric; ranges, domestic, gas; refrigerators, household; room air conditioner to 1 h/p; vacuum cleaners, domestic; washing machines, domestic.

[Paragraph (e) amended by Amdt. 6]

(f) *Required report.* (1) Before selling any commodity for which you have

determined a ceiling price under this section, except as permitted under subparagraph (2) below, you must file the report required by paragraph (g) of this section with the Director of Price Stabilization, Washington 25, D. C., and in addition you may not sell the commodity until 15 days after mailing your report; thereafter you may sell the commodity at your proposed ceiling price unless and until notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved or that more information is required. In the event that more information is required you may not sell until 15 days after mailing the additional information.

(2) You need not prepare or file the report required by paragraph (g) of this section with the Director of Price Stabilization, if total net sales of the commodity required to be priced under this section are not expected to exceed ten thousand dollars in value; but no sales of the commodity which would result in its total net sales equaling or exceeding ten thousand dollars in value may be made until after a report has been filed. Appropriate records and work sheets relating to the computation of your ceiling prices must be preserved as prescribed in section 46.

[Subparagraph (2) added by Amdt. 3]

(3) In case, however, the commodity is one required to be priced under this section, and which, prior to the effective date of this regulation, you sold or offered for sale upon the basis of a ceiling price determined under the General Ceiling Price Regulation, you may continue to use your GCPR ceiling price until 15 days after the effective date of this regulation.

[Paragraph (f) amended by Amdt. 3]

(g) *Information required in report.* Your report should state the name and address of your company; a description of the commodity being priced; the comparison commodity and an explanation why you have selected the comparison commodity as such; a description of the category in which the commodity being priced and the comparison commodity fall; your ceiling price to the largest buying class of purchaser of your comparison commodity, or if you are not now manufacturing it what this ceiling price would be; a detailed breakdown of the current unit direct cost of the comparison commodity, or what it would be; the gross margin, and the percentage mark-up over current unit direct cost for the comparison commodity; a detailed breakdown of the current unit direct cost of the commodity being priced; the ceiling price of the commodity being priced; delivery, discount, guaranty and servicing terms and conditions and differentials in effect for sales to purchasers of various classes with respect to the comparison commodity.

SEC. 33. *Ceiling prices for commodities in new categories, for new sellers and for sales to an entirely new class of purchaser.* (a) (1) If you are pricing a commodity which is in a different category from any dealt in by you between July 1, 1949 and June 24, 1950, or which you

are selling to an entirely new class of purchaser as referred to in section 3 (c), your ceiling price is the same as the ceiling price under this regulation of your most closely competitive seller of the same class selling the same commodity to the same class of purchaser. A ceiling price so determined must be in line with the level of ceiling prices otherwise established by this regulation.

[Subparagraph (1) amended by Amdt. 10]

(2) Before selling any commodity for which you have determined a ceiling price under this section, you must file the report required by paragraph (b) of this section with the Director of Price Stabilization, Washington 25, D. C., and in addition, you may not sell the commodity until 15 days after mailing your report; thereafter, you may sell the commodity at your proposed ceiling price unless and until notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved or that more information is required. In the event that more information is required you may not sell until 15 days after mailing the additional information.

(3) In case, however, the commodity is one required to be priced under this section, and which, prior to the effective date of this regulation, you sold or offered for sale upon the basis of a ceiling price determined under the General Ceiling Price Regulation, you may continue to use your GCPR ceiling price until 30 days from the date this regulation becomes effective for your most closely competitive seller of the same class selling the same commodity to the same class of purchaser or 30 days from the date this regulation becomes effective as to you, whichever is later.

[Subparagraph (3) amended by Amdt. 6]

(b) *Required report.* Your report should state the name and address of your company; the new categories in which the commodities fall and the most comparable categories dealt in by you during the base period; the name, address and type of business of your most closely competitive seller of the same class; a statement of his ceiling price and his differentials to each of his classes of purchasers; your reasons for selecting him as your most closely competitive seller; a statement of your customary price differentials; and, if you are selling to an entirely new class of purchaser, a description of such class of purchaser. If you are starting a new business, you should include a statement whether you or the principal owner of your business are now or during the past 12 months have been engaged in any capacity in the same or a similar business at any other establishment, and, if so, the trade name and address of each such establishment. Your report should include the following: Your proposed ceiling price and the specifications of the commodity you are pricing; the manufacturing process involved; a detailed breakdown of your unit direct costs; the reason you believe the proposed ceiling price is in line with the level of ceiling prices otherwise established by this regulation;

and the types of customers to whom you will be selling.

MISCELLANEOUS PROVISIONS

SEC. 34. *Sellers who cannot price under other sections.* (a) If you claim that you are unable to determine your ceiling price for a commodity under any of the foregoing provisions of this regulation, you may apply in writing to the Director of Price Stabilization, Washington 25, D. C., for the establishment of a ceiling price. This application shall contain an explanation of why you are unable to determine your ceiling price under any other provision of this regulation; all of the information called for under section 33 to the extent you are able to furnish it; and the method used by you to determine your proposed ceiling price. You may not sell the commodity until the Director of Price Stabilization notifies you, in writing, of your ceiling price, except as permitted in paragraphs (b) or (d).

[Paragraph (a) amended by Amdts. 3 and 6]

(b) If your ceiling price was determined under section 7 of the General Ceiling Price Regulation, you may, after making the application prescribed in paragraph (a) of this section, continue to use that ceiling price unless and until notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved, or that more information is required.

[Paragraph (b) added by Amdt. 3]

(c) If your ceiling price under the General Ceiling Price Regulation was established under section 7 of that regulation by letter order of the Director of Price Stabilization, you need not repeat in your application for a price under this section any information which you have already submitted to the Director of Price Stabilization and which, in the light of the requirements of paragraph (a) of this section, is still accurate.

[Paragraph (c) added by Amdt. 3]

(d) If your ceiling price was determined under section 3 of the General Ceiling Price Regulation, you may, after making the application prescribed in paragraph (a) of this section, continue to use your ceiling price as so determined until notified by the Director of Price Stabilization of your ceiling price under this section.

[Paragraph (d) added by Amdt. 6]

SEC. 35. *Export sales.* Your sales for export are subject to the provisions of this regulation.

SEC. 36. *Excise, sales, and other similar taxes—*(a) *Where the tax is included in your base period price.* If your base period price for a commodity you are using to determine your ceiling price either for that commodity or another commodity includes any excise, sales or other similar tax which is not separately stated, you must first ascertain the amount of any such tax and exclude it from your base period price. Your base period price, with any such tax so excluded, may then be used in making any appropriate computations for determin-

ing your ceiling price. After completing the computations, you may then add on the appropriate amount of any such tax for inclusion as part of your ceiling price. In the case of any increase in such a tax subsequent to the end of your base period, you may include the appropriate amount of any such increase as part of your ceiling price. Likewise, in the case of any similar tax first imposed subsequent to the end of your base period and included in your selling price thereafter, you may include the appropriate amount of such tax as part of your ceiling price.

(b) *Where the tax is separately stated and collected.* In addition to your ceiling price determined under this regulation, you may collect the amount of any excise, sales or other similar tax paid by you as such only if it has been your practice to state and collect such taxes separately from your selling price for the same or similar commodities. In the case of such a tax imposed by law which is not effective until after the effective date of this regulation, or of any increase in such a tax subsequent to the effective date of this regulation, you may collect the amount of the tax actually paid as such by you, if not prohibited by the tax law. You must in all such cases state separately the amount of the tax.

SEC. 37. Prohibition against redetermination of ceiling prices. Once you have reported your ceiling price or proposed ceiling price for a commodity, as required by this regulation, you may not thereafter redetermine a higher ceiling price, except for the following reasons and upon compliance with the conditions specified:

(a) Increase in cost of agricultural commodities or products processed therefrom in accordance with section 21 of this regulation.

(b) Changes affecting the computation of ceiling prices resulting from amendment, supplement, revision or official interpretation of this regulation. In case of such a redetermination you must file an amended Public Form No. 8 and such redetermination may reflect only the factors covered by the amendment, supplement, revision or official interpretation.

(c) Extension of the effective date of this regulation pursuant to Amendment 6 of this regulation. In case of such a redetermination you must file an amended Public Form No. 8 by July 2, 1951.

(d) Where the base period price is used as the ceiling price without making the calculations of either of the adjustments (labor cost adjustment or materials cost adjustment) or where the ceiling price is the base period price plus only one of the adjustments. Such a redetermination shall be made by filing an amended Public Form No. 8 showing the omitted calculated adjustment or adjustments and it may reflect only the adjustment or adjustments not calculated in the filed unamended Public Form No. 8.

(e) Purely arithmetical errors, however, may be corrected at any time, but the corrections must be reported to the Director of Price Stabilization.

(f) The filing of an amended Form No. 8 under this section is subject to the provisions of section 48 of this regulation.

(g) Extension of the effective date of this regulation pursuant to Amendment 20 of this regulation. In case of such a redetermination you must file an amended Public Form No. 8 by August 13, 1951.

[Sec. 37 amended by Amdt. 10; paragraph (g) added by Amdt. 20]

SEC. 38. Modification of ceiling prices by the Director of Price Stabilization. The Director of Price Stabilization may at any time disapprove or revise downward ceiling prices proposed to be used or being used under this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation. Such downward revisions may, of course, be accompanied by upward revisions—as in a case where the Director of Price Stabilization requires an apportionment of the “materials cost increase” for a unit of your business to avoid any inequities resulting from the application of sections 13 or 16.

[Sec. 38 amended by Amdt. 3]

SEC. 39. Recalculation of ceiling prices and announcement of “materials cost increase factors.” The Director of Price Stabilization expects in due course to issue an amendment to this regulation providing for a recalculation of your ceiling prices hereunder. The primary purpose of this recalculation would be to reflect more accurately the materials prices established by this and other ceiling price regulations. The Director of Price Stabilization may also from time to time announce “materials cost increase factors” for certain materials in order to provide greater uniformity in the calculation of their change in price since the end of your base period. These factors will be percentage figures based on studies of some categories of important basic materials and parts. If such a factor is announced, it must be used in place of any change you have had in the price of the material covered by the factor, regardless of whether the factor is higher or lower. These “materials cost increase factors” may be announced by amendments or by supplementary regulations to this regulation.

SEC. 40. Adjustable pricing. Nothing in this regulation shall be construed to prohibit your making a contract or offer to sell a commodity at (a) the ceiling price in effect at the time of delivery or (b) the lower of a fixed price or the ceiling price in effect at the time of delivery. You may not, however, deliver or agree to deliver a commodity at a price to be adjusted upward in accordance with any increase in a ceiling price after delivery.

SEC. 41. Petitions for amendment. If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1 (15 F. R. 9055).

SEC. 42. Supplementary regulations. The Director of Price Stabilization may issue supplementary regulations modify-

ing or implementing this regulation as he deems appropriate.

SEC. 43. Adjustment of ceiling prices where over-all loss in operations results. (a) This section permits you to apply for an upward adjustment of your ceiling prices established by this regulation, if as a result of these ceiling prices, you would operate at a loss.

(b) You may apply under this section if:

(1) Your total manufacturing operations have been conducted at a net loss for a period of operation under this regulation of at least one month, or would have been conducted at a loss if you had manufactured the commodities covered by this regulation in your customary quantities and proportions;

(2) The loss was attributable to the level of prices established by this regulation, and not to any of the following:

(i) Seasonal, non-recurring or temporary factors affecting your operations; or

(ii) A reduction in volume of production below the normal economical capacity of your plant; or

(iii) The payment of unlawful wages or excessive salaries or of unlawful or excessive prices for materials; or

(iv) The incurring of factory overhead costs or of selling, administrative and general costs which are abnormally high relative to sales or other costs unless such excess is demonstrated by clear and convincing evidence to have been unavoidable in the exercise of sound business judgment and management; or

(v) Any transactions with affiliated corporations or businesses which either are of a kind which would not result from arm's-length bargaining or differ from the transactions which you have customarily had with such affiliated corporations or businesses; or

(vi) Reserves for contingencies.

(3) The adjusted prices for which you apply will not be substantially out-of-line with the ceiling prices for similar commodities established for other sellers under this regulation.

(c) If you make application under this section, you must supply:

(1) Your name, address, a description of your manufacturing facilities and of the commodities you manufacture, a statement of the principal types of customers to whom you sell;

(2) A detailed annual profit and loss statement for your firm for the years 1946 through 1949, and both an annual profit and loss statement, and if you regularly prepare them, quarterly profit and loss statements covering the year 1950 and each quarter since then;

(3) A detailed profit and loss statement covering a period of operations of one month or more under this regulation, together with a careful explanation of how it was prepared, including particularly a justification of any estimating procedures used in its preparation;

(4) For commodities covered by this regulation, either (i) a statement of your base period and ceiling prices to your largest buying class of purchaser (including delivery terms, cash, trade and volume discounts, allowances, premiums and extras, deductions, guarantees, serv-

ing terms and other terms and conditions of sale) and a schedule of your price differentials to your other classes of purchasers; or (ii) a copy of the report required and submitted to the Office of Price Stabilization; together with (iii) a statement of the section or sections under which you established your ceiling prices.

(5) A showing that the loss in your current operations was not due to any of the six factors in paragraph (b) (2) of this section.

(6) A list of your principal competitors, and a statement of their ceiling prices under this regulation for commodities similar to yours, together with data showing the past relationship of your prices to those they have charged for the same or similar commodities;

(7) A proposed schedule of adjusted ceiling prices for commodities covered by this regulation, and a demonstration that, if these prices were charged, your operations would be at a break-even position.

(8) The application must refer specifically to this section of the regulation, must be signed by a responsible officer of your company, and should be sent to the Office of Price Stabilization, Washington 25, D. C.

(d) Within thirty days of the receipt of your application, the Director will grant or deny your application in full or in part, or request further information. The Director may, as a condition of granting your application in full or in part, require you to submit reports of subsequent operations and may revoke or modify the adjustment at any time. If, thirty days after the acknowledgment of receipt of your application, none of the actions listed above has been taken, you may sell at your proposed ceiling prices until such time as the Director shall notify you that these prices have been disapproved. The 30-day waiting period shall include each day subsequent to the date of receipt of the application by the Director of Price Stabilization regardless of the date on which the application was received by him.

[Paragraph (d) amended by Amdt. 20]

Sec. 44. Use of "conversion steel" in calculating "the materials cost adjustment"—(a) *Purpose of this section.* In calculating "the materials cost adjustment" for a commodity under this regulation, you are not permitted to reflect in your calculations any increase in materials cost occasioned by use of so-called "conversion steel". However, if you believe that this requirement imposes upon you a serious inequity because you are required by NPA Order M-47 (16 F. R. 3130) of the National Production Authority to use more conversion steel than you used in your base period, you may apply for permission to reflect such increase in your calculation of "the materials cost adjustment".

(b) *How to apply.* Under the circumstances described in paragraph (a) of this section, you may make application, signed by a responsible officer of your company, and sent by registered mail, to the Office of Price Stabilization,

Washington 25, D. C., referring specifically to this section and supplying the following information:

(1) A statement describing the nature of your manufacturing operations, and, particularly, the commodities in which conversion steel is used.

(2) A detailed statement showing all of your purchases of steel (whether conversion steel or not) in your base period, and in the three months ended March 31, 1951, listing, for each such purchase, the date, the name and address of the supplier, the exact specifications of the steel purchased, the price paid (including all discounts, extras, terms, delivery charges, etc.), and the amount purchased. If you sold any steel in either of these periods, you must give full details as to such sales.

(3) A detailed statement establishing the amount of "conversion steel" you are required to use under NPA Order M-47 of the National Production Authority.

(4) A detailed statement showing how you propose to reflect in your calculation of "the materials cost adjustment" the increase, since the end of your base period, in the cost of steel (including conversion steel), in the amount and to the extent that you are required to use such steel under NPA Order M-47 of the National Production Authority.

(c) *Action on your application.* Within thirty days after the receipt of the application described above, the Director will grant or deny, in whole or in part, your application, or notify you that further information is required. If, at the end of thirty days, the Director has done none of the above, you may begin to sell at ceiling prices calculated in accordance with "the materials cost adjustment" you propose. (In the meantime you may, after the effective date of this regulation, sell at a ceiling price calculated without reference to your use of conversion steel.) At any time thereafter, the Director may notify you that further information is required or may deny your application, in whole or in part, but such denial shall not be retroactive as to deliveries previously made. The 30-day waiting period shall include each day subsequent to the date of receipt of the application by the Director of Price Stabilization regardless of the date on which the application was received by him.

[Paragraph (c) amended by Amdt. 20]

Sec. 45. Temporary adjustments to carry out existing contracts—(a) *Who may apply for adjustment.* If at any time prior to the issuance date of this regulation, you entered into a bona fide contract for delivery of a commodity at a firm price subsequent to the effective date of this regulation, and if your ceiling price as determined under this regulation is lower than the contract price, you may apply to the Director of Price Stabilization for an adjustment of your ceiling price, *Provided:*

(1) The contract for future delivery was required by seasonal demands or normal business practices.

(2) The contract, if entered into subsequent to January 26, 1951, called for deliveries at a price which was lawful

under ceiling price regulations in effect at that time.

(3) You acquired needed raw materials or component parts after the date of the contract at lawful prices in reliance upon and in order to fulfill the terms of the contract.

(b) *Calculation of the amount of the adjustment.* The adjusted ceiling price will be fixed in the following way:

(1) Take the total price of the quantity of raw materials or component parts acquired in reliance upon, and necessary in order to fulfill, the contract.

(2) Compute what the total price of the same quantity of raw materials or component parts would be as of the later of the two applicable prescribed dates used for your calculation of "the materials cost adjustment". In computing what that total price would be, you will, of course, apply the provisions of section 18.

(3) Subtract the figure arrived at in subparagraph (2) from the figure in subparagraph (1). The result is the total amount of the adjustment. If the figure arrived at in subparagraph (1) is no higher than that arrived at in subparagraph (2), you cannot apply for adjustment under this section.

(4) Divide the total amount of the adjustment by the number of units of the commodity called for by the contract. This gives you the adjustment per unit of the commodity. If the contract calls for the delivery of more than one commodity, the total amount of the adjustment may be distributed in any appropriate way among the several commodities.

(5) Add the adjustment per unit of the commodity under (4) to your ceiling price for that commodity. The result is your adjusted ceiling price. In no event, however, may you obtain an adjusted ceiling price higher than the contract price.

Example: You contracted in January 1951 to supply a mail order house 1,000 units of a commodity at \$10.00 per unit, delivery to be made during the months of June, July, and August of 1951. Your ceiling price under this regulation is \$9.00. In order to comply with the terms of your contract, you purchased raw material sufficient to produce 600 units at a total cost of \$4,200. The cost of acquiring the same raw material as of December 31, 1950 (the later of the two applicable dates used in your calculation of "the materials cost adjustment") would be \$3,500. The total adjustment is \$700 (\$4,200 minus \$3,500 equals \$700). The total number of units called for in the contract was 1,000. Divide \$700 by 1,000. This gives you 70¢. The adjustment per commodity becomes 70¢ and your adjusted ceiling price for the contract \$9.70. Subsequent sales to the contract purchaser and all sales to other purchasers must be at the regular ceiling price of \$9.00.

(c) *What your application must contain.* Applications for adjustment under this section must be filed on or before September 4, 1951, with the Director of Price Stabilization, Washington 25, D. C. Attached to the application should be the following:

1. A copy of the contract;
2. Copies of invoices covering the raw materials or component parts acquired

in reliance upon and in order to fulfill the contract;

3. Copies of invoices or other supporting data which indicate your net cost as of the later of the two applicable dates you used in computing "the materials cost adjustment".

4. A copy of the worksheets used in the calculation of your ceiling price.

5. A report of your adjusted ceiling price and a detailed calculation showing how this price was arrived at.

[Paragraph (c) amended by Amdt. 20]

(d) *Action on your application.* You may not receive payment of any amount in excess of your ceiling price until 30 days after receipt by the Director of Price Stabilization of any application filed under this section. If the Director of Price Stabilization does not revise or modify the adjusted ceiling price reported by you or notify you that further information is required, you may after these 30 days have elapsed receive payment at the adjusted ceiling price for all deliveries made since the date of filing. The Director may, however, at any time revise or modify the adjusted ceiling price, but such revision or modification will not apply to deliveries already made. The 30-day waiting period shall include each day subsequent to the date of receipt of the application by the Director of Price Stabilization regardless of the date on which the application was received by him.

[Paragraph (d) amended by Amdt. 20]

SEC. 46. *Records and reports—(a) Record-keeping requirements.* (1) With respect to any commodity covered by this regulation the provisions of section 16 of the General Ceiling Price Regulation are hereby continued in effect insofar as they apply to the preparation and preservation of "base period records" and such "current records" as have been made as a result of sales between January 26, 1951, and the effective date of this regulation.¹

(2) (i) You shall prepare and preserve for the life of the Defense Production

¹ The portions of the General Ceiling Price Regulation here referred to applicable to manufacturers, are as follows:

SEC. 16. (a) *Base period records.* You must preserve and keep available for examination by the Director of Price Stabilization those records in your possession showing the prices charged by you for the commodities or services which you delivered or offered to deliver during the base period. * * *

(2) In addition, on or before March 22, 1951, you must prepare and preserve a statement showing the categories of commodities in which you made deliveries and offers for delivery during the base period. * * *

(3) On or before March 22, 1951, you must also prepare and preserve a ceiling price list, showing the commodities in each category (listing each model, type, style, and kind), or the services, delivered or offered for delivery by you during the base period together with a description or identification of each such commodity or service and a statement of the ceiling price. Your ceiling price list may refer to an attached price list or catalog. * * *

(4) You must also prepare and preserve a statement of your customary price differentials for terms and conditions of sale and

Act of 1950 and for two years thereafter all records necessary to determine whether you have computed your ceiling prices correctly, including (but not limited to) records showing base period prices and material and labor costs, and records showing costs, prices, and sales for the other applicable periods and dates referred to in the regulation.

(ii) The records to be preserved under this paragraph must include appropriate work sheets. Appendix E contains suggested work sheets for the more important calculations required under this regulation. The work sheets to be preserved may be in the form shown in the appendix; they may be in any other convenient form so long as they include all data and calculations required to determine your ceiling prices.

(3) You shall preserve for a period of two years all records showing the prices at which sales of commodities subject to the regulation have been made.

(b) *Reports.* (1) You must file with the Office of Price Stabilization, Washington 25, D. C., on or before the effective date of this regulation one or more reports on Public Form No. 8 in accordance with the instructions which are a part of that form. Copies of the form may be obtained from any Regional or District Office of the Office of Price Stabilization. This Public Form No. 8 is shown in Appendix D. If you report a ceiling price for any commodity higher than your ceiling price under the General Ceiling Price Regulation, you must file your report by registered mail, and you must wait 15 days before selling as provided in section 48.

(2) The Director of Price Stabilization may from time to time require additional information or reports subject to the approval of the Bureau of the Budget under the Federal Reports Act of 1942.

SEC. 47. *Definitions and explanations.* Unless the context otherwise requires, the definitions and explanations in this section shall be controlling.

[Above sentence added by Amdt. 3]

Category. This term is defined in section 5.

Class of purchaser or purchaser of the same class. Class of purchaser is determined in the first instance by reference to your own practice of setting different prices for sales to different purchasers or groups of purchasers. The practice may (but need not) be based

classes of purchasers, which you had in effect during the base period. * * *

(b) *Current records.* If you sell commodities or services covered by this regulation you must prepare and keep available for examination by the Director of Price Stabilization for a period of two years, records of the kind which you customarily keep showing the prices which you charge for the commodities or services. In addition, you must prepare and preserve records indicating clearly the basis upon which you have determined the ceiling price for any commodities or services not delivered by you or offered for delivery during the base period. * * *

"Base period" as used in section 16 of the General Ceiling Price Regulation means December 19, 1950 to January 25, 1951.

on the characteristics or distributive level of the buyer (for instance, manufacturer, wholesaler, individual retail store, retail chain, mail order house, government agency, public institution). It may (but need not) be based on the location of the purchaser or the quantity purchased by him. If you have followed the practice of giving an individual customer a price differing from that charged others, that customer is a separate class of purchaser.

If in your industry a practice prevails of charging different prices for sales to groups of buyers based on their characteristics or distributive level, any such group to whom you did not make sales during your base period and for whom you did not have a customary differential in effect during or before your base period, is a separate class of purchaser as to you.

Commodity. This term includes any item, object, material, article, product or supply.

Delivered. A commodity shall be deemed to have been delivered if it was received by the purchaser or by any carrier, including a carrier owned or controlled by the seller, for shipment to the purchaser.

Director of Price Stabilization. This term also applies to any official (including officials of Regional or District offices) to whom the Director of Price Stabilization by order delegates a function, power or authority referred to in this regulation.

End of your base period. This term means June 24, 1950, if your base period is April 1 through June 24, 1950, or if you elected a previous calendar quarter as your base period in accordance with section 4, it means the last day of that quarter. If, however, you have elected different base periods for different commodities or categories in accordance with sections 4 or 5, the date you will use as the end of your base period is determined as follows:

(a) If you are calculating "the labor cost adjustment" or "the materials cost adjustment" upon the basis of a unit of your business, and your base period is the same for all commodities produced in that unit, the last day of that base period is the end of your base period.

(b) If you are calculating "the labor cost adjustment" upon the basis of your entire business or of a unit of your business and your base period for all of the commodities being priced is not the same, the last day of the particular base period you have elected which covers the group of commodities having the largest aggregate dollar volume of sales in calendar or fiscal year 1950 is the end of your base period for your calculation of "the labor cost adjustment."

(c) If you are calculating the "materials cost adjustment" upon the basis of your entire business or a unit of your business and your base period for all of the commodities being priced is not the same, the last day of the particular base period you have elected for the group of commodities having the largest aggregate dollar volume of sales in calendar or fiscal year 1950 is the end of your base

period for your calculation of "the materials cost adjustment."

(d) If you are calculating "the materials cost adjustment" for a commodity under method 2 (section 14) or method 3 (section 15) the end of your base period is the last day of the particular base period you are using.

Largest buying class of purchaser. This term refers to the "class of purchaser" of a commodity which bought from you the largest dollar amount of that commodity during your base period. It does not, however, include the United States or any agency thereof, any foreign purchaser, or any person to whom the only sales made during your base period were made under a written contract of at least 6 months' duration entered into prior to the base period, unless the United States or any agency thereof, any foreign purchaser or such contract purchaser was your only class of purchaser.

Manufacturer. This term includes a producer, processor, assembler, finisher, printer or fabricator. You are not a manufacturer unless you substantially change the form of some commodity or commodities, combine two or more commodities into a different one, or create a new commodity from existing ones. If you merely package, label, market, promote, or sell a commodity or combine commodities without substantially changing their form, you are not a manufacturer. If you merely perform an industrial service for the account of others on a commodity you are not a manufacturer with respect to such a commodity. If you merely rebuild, recondition, renovate, renew or otherwise restore a used commodity, you are not a manufacturer with respect to such commodity.

[Last sentence above added by Amdt. 18]

Manufacturing material. This term is explained in section 10.

Most closely competitive seller of the same class. Your most closely competitive seller of the same class is the seller with whom you are in most direct competition. You are in direct competition with another seller who sells the same type of commodity to the same classes of purchaser in similar quantities on similar terms and with approximately the same amount of service.

Net cost or net price. Each of these terms refers to the cost or price to you of a manufacturing material less any discount (other than a customary cash discount) or allowance you took or could have taken. It does not include separately stated charges such as freight, taxes, etc.

Net sales. This term refers to gross sales after trade discounts, less returns and allowances. In the case of sales where the selling price is a delivered price, transportation charges should not be deducted. This term does not include sales of commodities of which you are not the manufacturer.

[Last sentence above added by Amdt. 3]

Person. This term includes any individual, corporation, partnership, association or any other organized group of persons, or legal successors or represent-

atives of the foregoing, and the United States or any other Government or their political subdivisions or agencies.

Plant. This term refers to a single physical location where business is conducted or industrial operations are performed, for example, a factory or a mill. If such a single physical location comprises two or more units, with separate payroll and inventory records, engaged in distinct industrial activities, each unit shall be treated as a plant.

This definition of "plant" is based on the definition of "a manufacturing establishment" in the Standard Industrial Classification which is consistent with that used by the Bureau of Census in the 1947 Census of Manufactures and subsequent surveys.

Product line. This term is explained in section 15.

Records. This term means books or accounts, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, and other papers and documents.

Sale at retail. Sale at retail means any sale to an ultimate consumer other than a commercial, industrial, governmental or institutional user.

Sell. This term includes sell, supply (with respect to either commodities or services), dispose, barter, exchange, transfer and deliver, and contracts and offers to do any of the foregoing. The terms "buy" and "purchase" shall be construed accordingly.

Service. This term includes any service rendered or supplied, otherwise than by an employee.

Written offer or written offer for sale. Each of these terms refers to an offer for sale made by means of the seller's price list or, if he had no price list, a written offer otherwise made in the seller's customary manner. The term does not include an offer at a price intended to withhold a commodity from the market or used as a bargaining price by a seller who usually sells at a price lower than his asking price.

You. "You" means the person subject to this regulation. "Your" and "yours" are construed accordingly.

SEC. 43. Prohibitions. (a) On and after the effective date of this regulation, regardless of any contract or other obligation, (1) you shall not sell any commodity subject to this regulation at a price exceeding your ceiling price as determined under this regulation, and (2) no person shall buy from you in the regular course of business or trade any commodity subject to this regulation at a price exceeding your ceiling price as determined under this regulation.

(b) On and after the effective date of this regulation you shall not sell any commodity subject to this regulation unless you have complied with the report requirements of sections 21, 32, 33, or 46, whichever is applicable. The waiting periods prescribed in sections 21, 32, and 33 shall include each day subsequent to the date of mailing of the application to the Director of Price Stabilization, regardless of the date on which the application was mailed.

[Paragraph (b) amended by Amdts. 16 and 20]

(c) In the event your ceiling price for a commodity under this regulation is higher than your ceiling price under the General Ceiling Price Regulation (except when you raise your price, pursuant to section 21, above that price initially calculated under this regulation) you shall not sell that commodity at a price exceeding your ceiling price under the General Ceiling Price Regulation, except under the following conditions:

(1) You must send by registered mail a report, relating to that commodity, on Public Form No. 8 (shown in Appendix D) to the Director of Price Stabilization, Washington 25, D. C. Copies of this form can be obtained from any Regional or District office of the Office of Price Stabilization.

(2) You must wait 15 days after the date of receipt by the Director of Price Stabilization of the report, as shown on your return receipt. The 15-day waiting period shall include each day subsequent to the date of receipt of the report by the Director of Price Stabilization regardless of the date on which the report was received by him.

[Subparagraph (2) amended by Amdt. 20]

(3) At the end of that 15-day period, or on or after the effective date of this regulation, whichever is later, you may deliver that commodity at your ceiling price as determined under this regulation, unless and until notified by the Director of Price Stabilization to continue using your GPCR ceiling price, or such higher ceiling price as he may permit, either because your ceiling price proposed under this regulation has been disapproved in whole or in part, or because more information is required.

[Paragraph (c) amended by Amdt. 16]

SEC. 48a. Transfers of business or stock in trade. If the business, assets or stock in trade are sold, or otherwise transferred, after the issue date of this regulation, and the transferee carries on the business, or continues to deal in the same type of commodity, in an establishment separate from any other establishment previously owned or operated by him, the ceiling prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken place, and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over, to the transferee all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the provisions of this regulation.

[Sec. 48 (a) added by Amdt. 3]

SEC. 49. Charges lower than ceiling prices. Lower prices than those established under this regulation may be charged, demanded, paid or offered.

SEC. 50. Evasion. Any practice which results in obtaining indirectly a higher price than is permitted by this regulation is a violation of this regulation. Such practices include, but are not limited to, devices making use of commissions, services, cross sales, transporta-

RULES AND REGULATIONS

tion arrangements, premiums, discounts, special privileges, tie in agreements and trade understandings.

SEC. 51. Violation—(a) Civil and criminal action. Persons violating any provision of this regulation are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Defense Production Act of 1950.

[Title amended by Amdt. 3]

(b) *Violations of record-keeping and reporting requirements.* If any person subject to this regulation fails to keep the records or file the reports required by this regulation, or if any person subject to this regulation fails to establish a ceiling price or apply to the Office of Price Stabilization for the establishment of a ceiling price, if he is required to do so, the Director of Price Stabilization may issue an order fixing ceiling prices for the commodities such person sells. Any ceiling price fixed in this manner will be in line with ceiling prices established by this regulation. The order fixing the ceiling price may apply to all deliveries or transfers for which a ceiling price was not established in accordance with the provisions of this regulation, including deliveries or transfers completed prior to the date of issuance of the order. The issuance of such an order will not relieve the seller of his obligation to comply with the requirements of this regulation or of the various penalties for failure to do so.

[Paragraph (b) added by Amdt. 3]

NOTE.—The record-keeping and reporting requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

By: J. L. DWYER,
Recording Secretary.

APPENDIX A

This regulation does not apply to the commodities and transactions listed below. Most of such commodities and transactions are covered by some other price regulation.

(a) General exemptions: (1) Sales of commodities, the ceiling prices of which are now or are subsequently established by any numbered regulations of the Office of Price Stabilization.

(2) Sales of commodities exempt from the ceiling price provisions of the General Ceiling Price Regulation under sections 5, 6, 7, 8, and 9 of Supplementary Regulation 1 to the General Ceiling Price Regulation (Defense Agency Pricing).

(3) Sales of commodities, the ceiling prices of which are now or may subsequently be exempted from price control by any General Over-Riding Regulation.

(b) General commodity categories:

1. All raw agricultural products.

2. Stumpage, logs, pulpwood, and other raw forest products.

3. Gas, electricity, and steam.

4. All scrap and waste materials.

5. All repair or replacement parts when sold by the manufacturer of the assembled article in the repair of which such parts are designed to be used.

(c) The following food and kindred products:

(1) All meats, except dry sausage and sterile canned meats.

[Subparagraph (1) amended by Amdt. 3]

(2) Sausage, except dry.

(3) Lard.

(4) Rabbits and dressed and ready-to-cook poultry, including turkeys.

[Subparagraph (4) amended by Amdt. 3]

(5) Dairy products—for the purpose of this regulation, dairy products shall include milk and butterfat and products manufactured or processed in a dairy plant from either milk or butterfat when the milk solids content of the product is greater than the solids content of any other ingredient except sugar; and shall also include water ices (a product composed of water, sugar, flavoring and stabilizer) prepared in bulk, package form, or in the form of a stick confection.

[Subparagraph (5) amended by Amdt. 16]

(6) All canned, frozen, and dried seasonal (meaning products packed at time of harvest from agricultural commodities having a stable seasonal pattern) fruits, berries, and vegetables, and their juices.

(7) Canned soups and baby foods.

(8) Sales by grain millers or processors, as defined in Supplementary Regulation 18, of the following human food products and feeds or feed ingredients:

(i) These human food products: Flour, as defined in Supplementary Regulation 18 (except cake flour in packages of 5 pounds or less, and prepared flour mixes), semolina (as defined by the Federal Security Agency), farina (as defined by the Federal Security Agency), enriched farina (as defined by the Federal Security Agency), corn meal, corn grits, hominy grits, brewers' grits, pearl barley, malt and other processed barleys.

(ii) Animal or poultry feeds when milled or processed from a single one of the following grains: Wheat, corn, flaxseed, oats, rye, barley and grain sorghums; and the following feed or feed ingredient by-products: distillers' dried products, distillers' dried grains, distillers' solubles, distillers' dried grains with solubles, distillers' specialty products, brewers' dried grains, malt dried grain, malt cleanings, malt hulls and malt sprouts.

[Subparagraph (8) amended by Amdt. 25]

(9) Mixed feeds as defined in General Ceiling Price Regulation, Supplementary Regulation 7.

(10) Soybean oil meal, as defined in General Ceiling Price Regulation, Supplementary Regulation 3.

(11) Cottonseed cake, meal and hulls.

[Subparagraph (11) amended by Amdt. 3]

(12) Fish scrap, fish meal, fish solubles, and specialty fish feed products.

(13) Dog and cat food with fifteen percent or less moisture.

(14) Rice as defined in Ceiling Price Regulation 12.

(15) Bakery products—bread, cakes, hand-made cookies, donuts, pies, pastries, and similar "perishable bakery products" but not including semi-perishable dry bakery products, such as crackers, packaged cookies, pretzels, etc.

(16) Sugar beet pulp and sugar and liquid sugar (as defined in the Sugar Act of 1948).

[Subparagraph (16) amended by Amdts. 3 and 9]

(17) Chewing gum.

(18) Soft drinks.

(19) Malt beverages.

(20) Wines.

(21) Distilled spirits.

(22) Frozen eggs, dried eggs and liquid eggs.

[Subparagraph (22) amended by Amdt. 3]

(23) Inedible molasses.

[Subparagraph (23) amended by Amdt. 9]

(24) All salmon and salmon products, in any form; and all other fish, shellfish, seafood, and the products thereof, except when sterilized in hermetically sealed containers.

[Subparagraph (24) added by Amdt. 13]

(25) Ice.

[Subparagraph (25) added by Amdt. 19]

(d) All tobacco products.

(e) The following textile mill products:

(1) All wool fibers which have been processed beyond the scouring stage.

(2) Wool yarn and fabrics as defined in Ceiling Price Regulation 18, together with all other yarns and fabrics containing 25% or more wool by weight, however manufactured.

(3) Soft surface floor coverings which are either entirely made of wool or which, regardless of what material is employed, are woven on a chenille, wilton, velvet or axminster loom or are produced by the manufacturing process that produces punched felt. Ceiling prices for these floor coverings are established by Supplementary Regulation 11, Revision 2, to the General Ceiling Price Regulation.

[Subparagraph (3) amended by Amdt. 15]

(f) (1) Apparel, apparel furnishings or apparel accessories, made of textile materials, leather, fur, or a combination of any of them, or made of plastic or other materials which are normally sewed as part of the assembly operation; (2) component parts manufactured exclusively for further processing into or for use as a part of apparel, apparel furnishings or apparel accessories; and (3) such footwear as is not normally made by shoe, slipper or rubber manufacturers.

The following are examples of commodities excepted under this paragraph:

(1) Men's, boys', women's, misses', children's, toddlers' and infants' outerwear, underwear, headwear, hosiery, foundation garments, lounging and leisure wear, bedwear, athletic and special sports apparel, bathing suits and trunks, theatrical and masquerade costumes, ecclesiastical and academic vestments, occupational service apparel, burial clothes, gloves, handbags, pocketbooks, purses, wallets, billfolds, coin purses, money belts, muffs, muff bags, key cases, belts, suspenders, garters, garter belts, hose supporters, arm bands, ear muffs, sun shades, scarfs, mufflers, stoles, separate collars, separate cuffs, neckties, neckwear, handkerchiefs, abdominal supporters, sanitary belts and aprons, infants' bands, bibs, and other articles of a similar nature.

(2) Hat bodies, sewn pockets, brassiere and underwear straps, collar and cuff sets, shoulder pads, shields, waist bands, unassembled garments sold in package form, and other similar manufactured articles.

(3) Booties, spats, slipper-socks, and beach shoes.

The following are examples of commodities not included in this exception: Slide fasteners, buttons and other closures, thread, artificial flowers, cuff links, separate belt buckles, tie clips, fasteners, diapers, key chains, plumes, umbrellas, parasols, canes, costume jewelry, ribbons, compacts, cigarette cases, barrettes, hair furnishings, hair nets, tobacco pouches, carrying cases, dressing cases, jewelry cases, brief cases and luggage.

[Paragraph (f) amended by Amdt. 7]

(g) The following lumber and wood products:

(1) Lumber, plywood, veneers, shooks, millwork, wood containers, clothespins, wood excelsior, wood excelsior pads, ties, posts, poles, piling, shuttle blocks, picker stick blanks, wagon and implement woodstock and wood parts such as, doubletrees, wagon tongues, neck yokes and wagon spokes.

(2) Other allied wood products including "turned wood products" (meaning any soft wood or hardwood lumber products which have been turned on a cutting machine or passed through a dowel machine) or "shaped wood products" (meaning any soft wood or hardwood lumber products which have been shaped on a pattern or cutting machine) such as unassembled furniture parts, handles, wooden skewers, wooden heels and lasts, wedges, wood shanks for shoes and shoe pegs.

(3) However, this regulation does apply to wooden products which are completed and ready for ultimate household, recreational or farm use. Such completed products are not exempt under this paragraph unless they are specifically covered by subparagraphs (1) or (2) of this paragraph. A product is considered "completed and ready for ultimate household, recreational or farm use" within the meaning of this paragraph, even though it must still be painted, lacquered, varnished or upholstered, or subjected to further processing not affecting basic utility, but necessary for consumer acceptance or purchase.

Examples of commodities not included within the exemption of this paragraph are the following wood products: Furniture, assembled furniture frames, brooms, mops, carpet sweepers, toys, games, baseball bats, bowling pins, checkers, chess men, billiard cues, drumsticks, golf tees, wooden spoons, wooden bowls, toothpicks, rolling pins, potato mashers, medical applicators, stepladders, wooden coat hangers, picture frames, caskets, coffins and wooden matches.

[Paragraph (g) amended by Amdt. 10]

(h) Books, magazines, motion pictures, periodicals, newspapers, maps, charts, and globes.

(i) The following chemicals and allied products:

(1) Crude and synthetic rubber.
(2) Synthetic textile fibers and yarns.
(3) Fermentation ethyl alcohol, acetone, and butyl alcohol.

(4) Synthetic butyl alcohol made from fermentation ethyl alcohol.

(5) Cosmetics, proprietary drug products, and drugs and medicines of the kind listed in Major Group 65, *Standard Commodity Classification, Technical Paper No. 26, Volume 1, United States Government Printing Office, 1943*, except those commodities (such as phenol U. S. P., aluminum sulfate and magnesium sulfate) which manufacturers generally sell principally for non-medicinal uses.

[Subparagraph (5) amended by Amdt. 10]

(6) Household soaps and cleansers as defined in Ceiling Price Regulation 10.

(7) Natural and synthetic glycerin.

(8) Soap stock, raw and acidulated.

(9) Fatty acids which occur in vegetable and animal oils in the form of glyceride esters, such as stearic, palmitic, oleic and lauric acids.

[Subparagraph (9) amended by Amdt. 10]

(10) Shellac gum and metallic waterproofing compounds.

[Subparagraph (10) amended by Amdt. 12]

(11) Naval stores.

(12) All natural gums and resins.

(13) All vegetable waxes.

(14) All natural dyeing materials.

(15) All essential or distilled oil.

(16) Fats and oils for which ceiling prices are provided in Ceiling Price Regulation 6.

(17) The following oilseeds or nuts, their oils and fatty acids or combinations of these oils so long as in normal trade practice they retain their identity:

Babassu kernels.

Babassu oil.

Cacao butter.

Cashew nut shell liquid.

Castor beans.

Castor oil.

Cocoonut oil.

Cohune kernels.

Cohune oil.

Copra.

Coquito kernels.

Coquito oil.

Corozo kernels.

Corozo oil.

Hempseed.

Hempseed oil.

Kapok seed.

Kapok seed oil.

Muru-muru kernels.

Muru-muru oil.

Oiticica oil.

(18) Whale oil.

(19) Sperm oil.

(20) Fish oils, including cod oil and shark oil.

(21) Peanut oil.

(22) Rice bran oil.

(23) Oleo stock, oil and stearine.

(24) Inedible tallows, greases, and fat-bearing and oil-bearing animal waste materials as defined in Ceiling Price Regulation 6, Amendment 2.

(25) Wool grease.

(26) Glue stock.

(27) Casein.

(28) Cotton linters.

(29) Sodium silicofluoride.

(30) Sulphur.

(31) Butadiene derived from non-petroleum sources.

(32) Carbon black of channel, furnace and thermal types.

(33) The following commodities when derived from hardwood distillation: pyroligneous acid, acetic acid, acetate of lime, methyl alcohol and wood tar products.

[Subparagraphs 29, 30, 31, 32 and 33 added by Amdt. 23]

(j) Crude petroleum and petroleum fuels and lubricants, including petroleum coke when used as fuel, and natural gas.

(k) Coke, coal chemicals, coke oven gas, as defined in General Ceiling Price Regulation, Supplement 13.

(l) Bituminous coal, anthracite coal, coal briquettes, charcoal, and fuel processed from anthracite or bituminous coal.

(m) Cattle hide, kips, and calfskins, as defined in Ceiling Price Regulation 2.

(n) Hogskins, woolskins, sheep and lamb shearlings, pickled lambskins, pickled sheepskins, horsehides, deerskins, alligator skins, and snakeskins.

(o) Leather, tanned and finished and leather cut stock.

[Paragraph (o) amended by Amdt. 14]

(p) Footwear, except rubber footwear.
(q) The following specified building materials:

(1) Cement, including standard Portland Cement; special Portland Cement, such as high early strength masonry or mortar, low and moderate heat, oil-well, sulphate-resisting, white Portland; or any other cement generally classified as special Portland Cement; alumina cement, natural cement, puzzolan (slag-lime) cement; and masonry cement of the natural cement class; but excluding hydraulic lime.

(2) Ready-mixed Portland cement concrete.

(3) Calcined gypsum plasters, not including finished products produced therefrom.

(4) Lime (construction, metallurgical, chemical, agricultural, refractory).

Olive oil, edible, sulphur and other inedible.

Ouricury kernels.

Ouricury oil.

Palm kernel oil.

Palm kernels.

Palm oil.

Perilla seeds.

Perilla seed oil.

Poppyseed.

Poppyseed oil.

Rapeseed.

Rapeseed oil.

Rubberseed.

Rubberseed oil.

Sesame oil.

Sesame seed.

Sunflower seed.

Sunflower seed oil.

Tucum kernels.

Tucum oil.

Tung oil.

(5) Sand, gravel, crushed stone and slag, both aggregates and industrial.

(6) Light weight aggregates.

(7) Asphaltic concrete and bituminous paving mixes.

(8) Roofing granules, natural and artificial.

[Paragraph (q) amended by Amdt. 3]

(r) Primary metals, metallic alloys, metallic oxides, and metallic by-products, specifically including metal products containing tungsten as defined in Supplementary Regulation 42 to the General Ceiling Price Regulation.

[Paragraph (r) amended by Amdts. 3 and 17]

(s) All secondary metals and scrap.

(t) All metal powders, specifically including powders containing tungsten as defined in Supplementary Regulation 42 to the General Ceiling Price Regulation.

[Paragraph (t) amended by Amdt. 17]

(u) All metallic ores.

(v) (1) All non-metallic minerals which are obtained from their natural state solely by mechanical means such as grinding, washing, leaching, classification, flotation, evaporation, dehydration and the like. The term does not include commodities which are obtained by refining or purification processes involving recrystallization or chemical methods including carbonation, ionic interchange and similar methods.

(2) The exceptions provided in subparagraph (1) of this paragraph do not apply to the following:

(i) *Dimension and Building Stones as follows:* Basalt and related stones. Granite: Building, ornamental and monumental. Greenstone: Interior, or exterior building, structural, ornamental, and monumental. Limestone: Building, ornamental, and monumental. Marble: Slabs—buildings, structural, and decorative; ornamental and monumental marble; grave vaults. Sandstone: Building, structural, ornamental, floor and flagging (including bluestone and brownstone). Slate: Structural, electrical, grave vaults, mausoleum, roofing, floor, and flagging.

(ii) *Monuments and Memorials* of granite, greenstone, limestone, marble and sandstone.

[Paragraph (v) amended by Amdts. 3 and 10]

(w) All cast, rolled, drawn, or extruded metals and alloys which have not been further fabricated, except cast iron soil pipe and fittings, cast iron water and gas pipe and fittings, and valve and pipe fittings, but specifically including metal products containing tungsten as defined in Supplementary Regulation 42 to the General Ceiling Price Regulation.

[Paragraph (w) amended by Amdts. 3 and 17]

(x) Fabricated structural steel and steel plate and fabricated reinforcing bars, except metal lath and metal lath accessories (including cold rolled channels).

[Paragraph (x) amended by Amdt. 3]

(y) Passenger automobiles, as defined in Ceiling Price Regulation 1.

(z) Wood-cased and paper-wrapped lead pencils.

(aa) Precious stones and precious jewelry. A "precious stone" means a natural pearl, diamond, ruby, sapphire, or emerald. The term "precious stone" also includes any other genuine stone, including a semi-precious stone, any synthetic stone, or any cultured pearl or group of cultured pearls (combined in a single article), when the selling price for any such item by the cutter, wholesale dealer or importer is \$25.00 or more. "Precious jewelry" means any article or mounting, a component part of which is a "precious stone" (or "precious stones") as

defined above, when the value of the "precious stone" (or "precious stones") exceeds the value of the total of the other component parts of the finished article.

[Paragraph (aa) amended by Amdt. 10]

(bb) Paintings, sculptures, and other works of art.

(cc) Merchant clays, as listed and described in the Bureau of Mines, U. S. Department of the Interior, current "Minerals Yearbook."

(dd) The following iron and steel products: Wire rope and strand; wire (barbed and twisted); wire fence (woven or welded); wire netting; nails (cut and wire); staples; wire bale ties; fence posts; steel screen wire cloth, welded wire concrete reinforcing mesh; hoops, balling bands, and cotton ties; formed roofing and siding; valley, ridge roll, and flashing; welded pipe and tubing; rails and track accessories.

(ee) Glass containers and closures for glass containers except rubber closures and novelty closures not used by commercial bottlers or packers.

[Paragraphs (cc), (dd), (ee) added by Amdt. 3]

(ff) Woodpulp.

[Paragraph (ff) added by Amdt. 5]

(gg) Decorative paper gift dressings produced for over-the-counter sale for special occasions during 1951, including but not limited to enclosure cards, tags, seals, plain and printed gift wrap papers, labels and gift money envelopes, which are usually but not necessarily pre-packaged, and usually but not necessarily bear printed price and count identification on the package. Not included are so-called Christmas and similar special occasion greeting cards.

[Paragraph (gg) amended by Amdt. 11]

APPENDIX B

With respect to the following manufacturing materials, the change in net cost may be calculated up to March 15, 1951.

1. All commodities listed in Appendix A, as amended, under paragraph (b) and all succeeding paragraphs.

[Paragraph 1 amended by Amdt. 10]

2. Wood pulp, paper, paperboard, and converted paper and paperboard products.

3. All imported materials, when purchased from a foreign supplier, or from a seller in the United States in substantially the same form as that in which imported (except for services normally performed by importers such as sorting or packaging), or after simple processing operations only, such as wool scouring.

4. All jute products containing more than 50 per cent by weight of jute.

5. All industrial services.

6. Metal containers when used for processed foods, and metal closures for all containers when used for processed foods.

[Paragraph 6 added by Amdt. 4]

7. Upholstery felt made of cotton linters or cotton waste, and sisal pads.

[Paragraph 7 added by Amdt. 8]

8. Paints, varnishes and lacquers.

[Paragraph 8 added by Amdt. 18]

9. Chocolate liquor.

[Paragraph 9 added by Amdt. 22]

APPENDIX C

With respect to the following agricultural commodities and products processed therefrom, a current date may be used in calculating the change in net cost to you, subject to the limitations imposed in Section 21:

Fruits:

Apples
For canning
For drying
Apricots
For canning
Dried
Avocados
Blackberries
Boysenberries
Cherries
Sweet
Sour
Cranberries
Dates
Figs for canning
Grapes, excluding raisins dried
Grapefruit
Lemons
Limes
Loganberries

Tree-nuts:

Almonds
Filberts

Livestock and Livestock Products:

Butterfat
Chickens
Eggs

Field Crops:

Barley
Beans, dry edible
Buckwheat
Corn
Flaxseed
Hay
Oats

Sugar crops:

Maple sirup
Maple sugar
Sorghum sirup

Vegetables:

Artichokes
Beans, Lima
Beans, snap
Beets
Cabbage
Cantaloupe
Carrots
Cauliflower
Celery
Corn, sweet
Eggplant
Garlic

Tobacco:

Flue-cured; types 11, 14
Burley-type 31
Cigar filler and binder types 42-44, 46, 51-55
Cigar wrapper, type 61
Cigar wrapper, type 62
Dark air-cured, types 35-36
Fire cured, types 21-24
Maryland types, 32
Pennsylvania seedleaf type 41
Sun cured, type 37

Miscellaneous:

Popcorn
Honey
Hops

Olives

For canning
Crushed for oil
Oranges and tangerines

Peaches

For canning
Clingstone
Freestone
Dried

Pears

For canning
Dried
Pineapples, Florida

Plums

For fresh consumption
For canning
Raspberries, black
Raspberries, red
Youngberries

Pecans

Walnuts

Products:

Milk, wholesale
Turkeys
Beeswax

Peanuts

Peas, dry field
Rye
Sorghums for grain
Wheat

Sugar beets

Sugarcane
Sugarcane sirup

Kale

Lettuce
Onions
Peas, green
Peppers, green
Pimientos
Shallots
Spinach
Tomatoes
Watermelon
Potatoes
Sweet Potatoes

Peppermint Oil
Spearmint Oil
Tung nuts

[App. C amended by Amdts. 3 and 9]

APPENDIX D

This appendix contains a facsimile of OPS Public Form 8, "Manufacturer's Price Adjustment Report," required to be filed under sections 46 and 48 of this regulation. Printed copies of this form are available at OPS District and Regional Offices.

INSTRUCTIONS FOR COMPLETING OPS PUBLIC FORM NO. 8

Who Must File

Every manufacturer subject to CPR 22 must file this report by the mandatory effective date of the regulation, or such earlier

effective date on or after May 28, 1951, as he may select, as required by sections 46 and 48 of the regulation.

[Above sentence amended by Amdts. 6, 20 and 21]

Where Shall the Report Be Filed

Mail to Office of Price Stabilization, Washington 25, D. C. Use registered mail if Item 8 is completed.

Why Must the Report Be Filed

This report is designed to inform OPS of adjustments of pre-Korean prices and of proposed ceiling price increases.

How Many Copies Shall Be Filed

A single copy of this report is to be filed for each category or product line, even though the actual price computations have been arrived at by a method applying to a larger unit of your business. Reporting by categories or product lines is needed to facilitate classification and analysis. Many companies will report only one product line. (See instruction for Item 1 below.)

How To Complete the Form

(Make sure to read the regulation and refer to Appendix E for worksheets.)

ITEM 1. DESCRIBE THE CATEGORY OR PRODUCT LINE COVERED BY THIS REPORT. A "category" is defined in the regulation (Section 5) as "a group of commodities which are normally classed together in your industry for purposes of production accounting or sales." Examples of categories would be: wood office desks; domestic vacuum cleaners; domestic washing machines.

A "product line" is defined in the regulation (Section 15 (a) (1)) as "a group of closely related commodities which differ in such respects as style, model, or size and which are normally classed together as a product line in your industry. Generally speaking, each commodity in the same product line must serve the same purpose and must be made by the same manufacturing process from substantially the same materials." Examples of product lines would be: wringer type washing machines; felt mattresses; ball-point pens.

If the same product line or category was produced by more than one plant and sold at different base period prices, a separate report must be made for each plant and the plant indicated in completing this item.

ITEM 2. GIVE THE DATES OF THE BASE PERIOD USED. "Base period" refers to the period April 1 through June 24, 1950 or any previous calendar quarter ended not earlier than September 30, 1949 which you may elect to use. (See Section 4.)

ITEM 3. ESTIMATED 1950 DOLLAR SALES. Enter in this item the estimated 1950 dollar sales for all the commodities which are included in the category or product line for which the report form is being prepared.

ITEM 4. LABOR COST ADJUSTMENT FACTOR. Enter here the labor cost adjustment factor used pursuant to section 8 (e) or 9 (b) of the regulation. Note that it is the adjustment factor rather than the adjustment which is desired here. The adjustment factor is always a percentage which is applied to the sales or price figure to yield the dollars and cents labor cost adjustment. If you calculated a separate "labor cost adjustment" for each unit of your business enter the labor cost adjustment factor for the unit which produces the category or product line covered by the report.

ITEM 5. MATERIALS COST ADJUSTMENT FACTOR. If either of methods 1, 3, or 4 has been used for the commodities in this category or product line, you will have arrived at a materials cost adjustment factor under section 13 (d), 15 (c), or 16 (d). This adjustment factor is a percentage to be applied to the sales figure to arrive at the materials cost adjustment.

If you have used method 2, which provides for a separate analysis of material cost for each individual commodity, you will have no "materials cost adjustment factor" but only a dollars and cents "materials cost adjustment" (Section 14 (c)) to be added to the base period price. Give the adjustment figure for a selected commodity, which should be the best-selling commodity of the category or product line. Show the actual base period price and identify the commodity.

ITEM 6. PRICE ADJUSTMENT RATIO. You may choose to preserve the price relationships established by the General Ceiling Price Regulation. In this case, you will have arrived at a "price adjustment ratio" under Supplementary Regulation 2 to this regulation. Enter here the ratio which will be applied uniformly to GCPR prices.

ITEM 7. CERTIFICATION REGARDING PROPOSED CEILING PRICE INCREASES OVER GENERAL CEILING PRICE REGULATION. All manufacturers filing this report must complete items 1-6 of the report and sign the certification even though they are not reporting any proposed ceiling price increases in item 8.

ITEM 8. PROPOSED CEILING PRICE INCREASES. (a) Identify the commodity in sufficient detail comparable to that which a fully completed invoice would show. Identify also the physical unit to which the proposed ceiling price refers (for example, pound, dozen, piece).

(b) Give here sufficient information to show the nature of the price computed: largest buying class of customer, delivery terms, cash and other discounts and other important terms and conditions of sale.

(c) Estimated sales in 1950 should be only for the specific commodity for which there is a proposed ceiling price increase, but should include sales to all customers.

(d) Insert the base period price to the largest buying class of purchaser which you determined for the commodity in accordance with Section 6 of the regulation.

(e) Indicate your GCPR price for the commodity.

(f) Indicate the proposed ceiling price as calculated under the provisions of this regulation.

(g) Divide the proposed ceiling price (column (f)) by the GCPR price (column (e)). This will indicate the percentage price increase over the GCPR price which is being proposed.

(h) If you used method 2 for calculating the materials cost adjustment separately for each commodity included in the category or product line covered by this report, then you must show here the materials cost adjustment obtained for the commodity for which a proposed ceiling price increase is shown. If you used method 1, 3 or 4 no entry is required in this column since the adjustment factor shown in Item 5 of the report will apply.

ITEM 9. CODE NUMBER. (a) When you complete this form, insert in the box in the upper right-hand corner the appropriate 6-digit code for the category or product line covered by the report. Determine the code applicable to your report from the list of codes given below.

(b) The first two digits represent the OPS price branch concerned with your category or product line and the next four digits represent the industry class in the Standard Industrial Classification now widely used by private as well as Government agencies.

(c) Your careful selection of the appropriate 6-digit code from the list will expedite the sorting, classification, and analysis of the forms upon receipt in this office.

(d) Although a number of commodity classifications not subject to CPR-22 are included in the codes, Appendix A is nevertheless controlling as to commodities and transactions exempt from CPR-22.

NOTE: If prior to May 4, 1951, the date of issuance of this amendment, you mailed to the Office of Price Stabilization, Washington 25, D. C., Public Form No. 8, you need not mail another form relating to the same category or product line solely for the purpose of inserting the code.

LIST OF CODES TO BE USED BY MANUFACTURERS IN CODING ITEM 1 (CATEGORY OR PRODUCT LINE) ON PUBLIC FORM 8

FOOD AND KINDRED PRODUCTS

- 26-2011 Meat packing.
- 31-2012 Custom slaughtering.
- 26-2013 Sausages and other prepared meat products.
- 26-2014 Sausage casings.
- 27-2015 Poultry and small game dressing and packing.
- 32-2021 Creamery butter.
- 32-2022 Natural cheese.
- 32-2023 Condensed and evaporated milk.
- 32-2024 Ice cream and ices.
- 32-2025 Special dairy products.
- 26-2031 Canned sea food.
- 26-2032 Cured fish.
- 23-2033 Canned fruits, vegetables, and soups; preserves, jams, and jellies.
- 23-2034 Dried and dehydrated fruits and vegetables.
- 23-2035 Pickled fruits and vegetables; vegetable sauces and seasonings, salad dressings.
- 23-2037 Frozen fruits, vegetables, and sea foods.
- 24-2041 Flour and other grain-mill products.
- 24-2042 Prepared feeds for animals and fowls.
- 24-2043 Cereal preparations.
- 24-2044 Rice cleaning and polishing.
- 24-2045 Blended and prepared flour.
- 24-2051 Bread and other bakery products (except biscuit, crackers, and pretzels).
- 24-2052 Biscuit, crackers, and pretzels.
- 25-2061 Cane sugar (except refining only).
- 25-2062 Cane-sugar refining.
- 25-2063 Beet sugar.
- 25-2071 Candy and other confectionery products.
- 25-2072 Chocolate and cocoa products.
- 25-2073 Chewing gum.
- 25-2081 Bottled soft drinks and carbonated waters.
- 25-2082 Malt liquors.
- 25-2083 Malt.
- 25-2084 Wines.
- 25-2085 Distilled, rectified, and blended liquors.
- 25-2091 Baking powder, yeast, and other leavening compounds.
- 22-2092 Shortening and other cooking and edible fats and oils, not elsewhere classified.
- 22-2093 Oleomargarine.
- 25-2094 Corn sirup, corn sugar, corn oil, and starch.
- 25-2095 Flavoring extracts and flavoring sirups, not elsewhere classified.
- 25-2096 Vinegar and cider.
- 25-2097 Manufactured ice.
- 25-2098 Macaroni, spaghetti, vermicelli, and noodles.
- 25-2099 Food preparations, not elsewhere classified.

TOBACCO MANUFACTURES

- 25-2111 Cigarettes.
- 25-2121 Cigars.
- 25-2131 Tobacco (chewing and smoking) and snuff.
- 25-2141 Tobacco stemming and redrying.

TEXTILE MILL PRODUCTS

- 52-2211 Scouring and combing plants.
- 52-2221 Yarn mills.
- 52-2222 Yarn throwing mills.
- 52-2223 Thread mills.

TEXTILE MILL PRODUCTS—CONTINUED

- 52-2231 Broad-woven fabric mills (cotton, silk, and synthetic fiber).
- 52-2232 Broad-woven fabric mills (woolen and worsted).
- 52-2241 Narrow fabrics and other small-ware mills (cotton, wool, silk, and synthetic fiber).
- 53-2251 Full-fashioned hosiery mills.
- 53-2252 Seamless-hosiery mills.
- 53-2253 Knit outerwear mills.
- 53-2254 Knit underwear mills.
- 53-2255 Knit glove mills.
- 52-2256 Knit-fabric mills.
- 52-2259 Knitting mills, not elsewhere classified.
- 52-2261 Dyeing and finishing textiles (except woolen and worsted textiles and knit goods).
- 52-2262 Dyeing and finishing woolen and worsted goods.
- 73-2271 Wool carpets, rugs, and carpet yarn.
- 73-2273 Carpets, rugs, and mats from fiber (except wool).
- 73-2274 Linoleum, asphalted-felt-base, and other hard-surface floor coverings, not elsewhere classified.
- 53-2281 Fur-felt hats and hat bodies.
- 53-2282 Wool-felt hats and hat bodies.
- 53-2283 Straw hats.
- 53-2284 Hatters' fur.
- 54-2291 Felt goods (except woven felts and hats).
- 73-2292 Lace goods.
- 73-2293 Paddings and upholstery filling.
- 52-2294 Processed waste and recovered fibers.
- 93-2295 Artificial leather, oilcloth, and other impregnated and coated fabrics (except rubberized).
- 52-2296 Linen goods.
- 52-2297 Jute goods (except felt).
- 52-2298 Cordage and twine.
- 52-2299 Textile goods, not elsewhere classified.

APPAREL AND OTHER FINISHED PRODUCTS MADE FROM FABRICS AND SIMILAR MATERIALS

- 53-2311 Men's, youths', and boys' suits, coats, and overcoats.
- 53-2312 Suit and coat findings.
- 53-2321 Men's, youths', and boys' shirts (except work shirts), collars, and nightwear.
- 53-2322 Men's, youths', and boys' underwear.
- 53-2323 Men's, youths', and boys' neckwear.
- 53-2325 Men's, youths', and boys' cloth hats and caps.
- 53-2326 Hat and cap materials.
- 53-2327 Men's, youths', and boys' separate trousers.
- 53-2328 Work shirts.
- 53-2329 Men's, youths', and boys' work, sport, and other clothing, not elsewhere classified.
- 53-2331 Women's and misses' blouses and waists.
- 53-2333 Women's and misses' dresses.
- 53-2334 Household apparel.
- 53-2337 Women's and misses' suits, coats (except fur coats), and skirts.
- 53-2338 Women's neckwear and scarfs.
- 53-2339 Women's and misses' outerwear, not elsewhere classified.
- 53-2341 Women's, misses', children's, and infants' underwear and nightwear.
- 53-2342 Corsets and allied garments.
- 53-2351 Millinery.
- 53-2361 Children's and infants' dresses.
- 53-2363 Children's and infants' coats.
- 53-2369 Children's and infants' outerwear, not elsewhere classified.
- 53-2371 Fur goods.
- 53-2381 Dress and semidress gloves and mittens (fabric, fabric and leather combined).
- 53-2382 Work gloves and mittens (fabric, fabric and leather combined).

APPAREL AND OTHER FINISHED PRODUCTS MADE FROM FABRICS AND SIMILAR MATERIALS—CON.

- 53-2383 Suspenders, garters, and related products.
 53-2384 Robes and dressing gowns.
 53-2385 Raincoats and other waterproof outer garments.
 53-2386 Leather and sheep-lined clothing.
 53-2387 Belts.
 53-2388 Handkerchiefs.
 53-2389 Apparel, not elsewhere classified.
 73-2391 Curtains and draperies.
 73-2392 Housefurnishings (except curtains and draperies).
 52-2393 Textile bags.
 73-2394 Canvas products.
 53-2395 Pleating, stitching, and tucking for the trade.
 53-2396 Trimmings, stamped arts goods, and art needlework.
 53-2397 Schiffli-machine embroideries.
 53-2341 Women's, misses', children's, and chine.
 73-2399 Fabricated textile products, not elsewhere classified.

LUMBER AND WOOD PRODUCTS (EXCEPT FURNITURE)

- 12-2411 Logging camps and logging contractors.
 12-2421 Sawmills and planing mills, general.
 12-2422 Veneer mills.
 12-2423 Shingle mills.
 12-2424 Cooperage stock mills.
 12-2425 Excelsior mills.
 12-2429 Special-product sawmills, not elsewhere classified.
 12-2431 Millwork plants.
 12-2432 Plywood plants.
 12-2433 Prefabricated wooden buildings and structural members.
 12-2441 Fruit and vegetable baskets.
 74-2442 Rattan and willow ware (except furniture and fruit and vegetable baskets).
 12-2443 Cigar boxes.
 12-2444 Wooden boxes (except cigar boxes).
 12-2445 Cooperage.
 12-2491 Wood preserving.
 12-2492 Lasts and related products.
 74-2493 Mirror frames and picture frames.
 74-2499 Wood products, not elsewhere classified.

FURNITURE AND FIXTURES

- 73-2511 Wood household furniture, except upholstered.
 73-2512 Wood household furniture, upholstered.
 73-2513 Reed and rattan furniture.
 73-2514 Metal household furniture.
 73-2515 Mattresses and bedsprings.
 73-2519 Household furniture, not elsewhere classified.
 72-2521 Wood office furniture.
 72-2522 Metal office furniture.
 72-2531 Public-building and related furniture.
 72-2532 Professional furniture.
 72-2541 Partitions, shelving, lockers, and office and store fixtures.
 42-2561 Window and door screens and weather strip.
 73-2562 Window shades.
 73-2563 Venetian blinds.
 72-2591 Restaurant furniture.
 73-2599 Furniture and fixtures, not elsewhere classified.

PAPER AND ALLIED PRODUCTS

- 13-2611 Pulp mills.
 13-2612 Paper and paperboard mills (except building-paper and building-board mills).
 13-2613 Building-paper and building-board mills.
 13-2641 Paper coating and glazing.
 13-2651 Envelopes.
 13-2661 Paper bags.

PAPER AND ALLIED PRODUCTS—CONTINUED

- 13-2671 Paperboard boxes; folded, set-up, and corrugated.
 13-2674 Fiber cans, tubes, drums, and similar products.
 13-2691 Die-cut paper and paperboard; and cardboard.
 13-2693 Wall paper.
 13-2694 Pulp goods, pressed and molded.
 13-2699 Converted paper products, not elsewhere classified.

PRINTING, PUBLISHING, AND ALLIED INDUSTRIES

- 13-2711 Newspapers.
 13-2721 Periodicals.
 13-2731 Books: publishing, publishing and printing.
 13-2732 Book printing.
 13-2741 Miscellaneous publishing.
 13-2751 Commercial printing.
 13-2761 Lithographing.
 13-2771 Greeting cards.
 13-2781 Bookbinding.
 13-2782 Blankbook making and paper ruling.
 13-2783 Library and loose-leaf binder manufacturing.
 13-2789 Miscellaneous work related to bookbinding.
 13-2791 Typesetting.
 13-2792 Engraving and plate printing.
 13-2793 Photoengraving.
 13-2794 Electrotyping and stereotyping.

CHEMICALS AND ALLIED PRODUCTS

- 93-2811 Sulfuric acid.
 93-2812 Alkalies and chlorine.
 93-2819 Industrial inorganic chemicals, not elsewhere classified.
 64-2821 Cyclic (coal-tar) crudes.
 93-2822 Intermediates, dyes, color lakes, and toners.
 93-2823 Plastics materials and elastomers, except synthetic rubber.
 92-2824 Synthetic rubber.
 52-2825 Synthetic fibers.
 93-2826 Explosives.
 93-2829 Industrial organic chemicals, not elsewhere classified.
 93-2831 Biological products.
 93-2832 Botanical products.
 93-2833 Inorganic and organic medicinal chemicals.
 93-2834 Pharmaceutical preparations.
 22-2841 Soap and glycerin.
 22-2842 Cleaning and polishing preparations.
 22-2843 Sulfonated oils and assistants.
 42-2851 Paints, varnishes, lacquers, japans, and enamels.
 93-2852 Inorganic color pigments.
 42-2853 Whiting, putty, wood fillers, and allied paint products.
 93-2861 Hardwood distillation.
 93-2862 Softwood distillation.
 93-2863 Gum naval stores.
 93-2864 Natural dyeing materials.
 93-2865 Natural tanning materials.
 24-2871 Fertilizers (manufacturing and mixing).
 24-2872 Fertilizers (mixing only).
 22-2881 Cottonseed oil mills.
 22-2882 Linseed oil mills.
 22-2883 Soybean oil mills.
 22-2884 Vegetable oil mills, not elsewhere classified.
 22-2885 Marine animal oils.
 22-2886 Grease and tallow.
 22-2887 Fatty acids.
 22-2889 Animal oils, not elsewhere classified.
 93-2891 Printing ink.
 93-2892 Essential oils.
 93-2893 Perfumes, cosmetics, and other toilet preparations.
 93-2894 Glue and gelatin.
 93-2895 Bone black, carbon black, and lamp black.
 93-2896 Compressed and liquefied gases.
 24-2897 Insecticides and fungicides.

CHEMICALS AND ALLIED PRODUCTS—continued

- 93-2898 Salt.
 93-2899 Chemicals and chemical products, not elsewhere classified.

PRODUCTS OF PETROLEUM AND COAL

- 63-2911 Petroleum refining.
 64-2931 Beehive coke ovens.
 64-2932 Byproduct coke ovens.
 42-2951 Paving mixtures and blocks.
 42-2952 Roofing felts and coatings.
 64-2991 Fuel briquets and packaged fuel.
 63-2992 Lubricating oils and greases not made in petroleum refineries.
 63-2999 Products of petroleum and coal, not elsewhere classified.

RUBBER PRODUCTS

- 92-3011 Tires and inner tubes.
 92-3021 Rubber footwear.
 92-3031 Reclaimed rubber.
 92-3099 Rubber industries, not elsewhere classified.

LEATHER AND LEATHER PRODUCTS

- 54-3111 Leather tanning and finishing.
 44-3121 Industrial leather belting and packing.
 54-3131 Boot and shoe cut stock and findings.
 54-3141 Footwear (except house slippers and rubber footwear).
 54-3142 House slippers.
 53-3151 Dress and semidress leather gloves.
 53-3152 Leather work gloves and mittens.
 74-3161 Suitcases, briefcases, bags, trunks, and other luggage.
 53-3171 Women's handbags and purses.
 74-3172 Small leather goods.
 54-3192 Saddlery, harness, and whips.
 54-3199 Leather goods, not elsewhere classified.

STONE, CLAY AND GLASS PRODUCTS

- 42-3211 Flat glass.
 42-3221 Glass containers.
 74-3229 Pressed and blown glass and glassware, not elsewhere classified.
 74-3231 Glass products made of purchased glass.
 42-3241 Cement, hydraulic.
 42-3251 Brick and hollow tile.
 42-3253 Floor and wall tile, except quarry tile.
 42-3254 Sewer pipe.
 42-3255 Clay refractories.
 42-3259 Structural clay products, not elsewhere classified.
 42-3261 Vitreous and semivitreous plumbing fixtures.
 74-3262 Vitreous-china table and kitchen articles.
 74-3263 Fine earthenware (whiteware) table and kitchen articles.
 42-3264 Porcelain electrical supplies.
 74-3265 China decorating for the trade.
 74-3269 Pottery products, not elsewhere classified.
 42-3271 Concrete products.
 42-3272 Gypsum products.
 42-3274 Lime.
 42-3275 Mineral wool.
 44-3291 Abrasive products.
 42-3292 Asbestos products.
 42-3293 Steam and other packing, and pipe and boiler covering.
 43-3294 Natural graphite: ground, refined, or blended.
 43-3295 Minerals and earths: ground or otherwise treated.
 43-3296 Sand-lime brick, block and tile.
 43-3297 Nonclay refractories.
 43-3298 Statuary and art goods (factory production).

PRIMARY METAL INDUSTRIES

- 43-3311 Blast furnaces.
 43-3312 Steel works and rolling mills.
 43-3313 Electrometallurgical products.
 43-3321 Gray-iron foundries.

PRIMARY METAL INDUSTRIES—CONTINUED

- 43-3322 Malleable-iron foundries.
- 43-3323 Steel foundries.
- 43-3331 Primary smelting and refining of copper.
- 43-3332 Primary smelting and refining of lead.
- 43-3333 Primary smelting and refining of zinc.
- 43-3334 Primary refining of aluminum.
- 43-3335 Primary refining of magnesium.
- 43-3339 Primary smelting and refining of nonferrous metals, not elsewhere classified.
- 43-3341 Secondary smelting and refining of nonferrous metals and alloys.
- 43-3351 Rolling, drawing, and alloying of copper.
- 43-3352 Rolling, drawing, and alloying of aluminum.
- 43-3359 Rolling, drawing, and alloying of nonferrous metals, not elsewhere classified.
- 43-3361 Nonferrous foundries.
- 43-3391 Iron and steel forgings.
- 43-3392 Wire drawing.
- 43-3393 Welded and heavy-riveted pipe.
- 43-3399 Primary metal industries, not elsewhere classified.

FABRICATED METAL PRODUCTS (EXCEPT ORDNANCE, MACHINERY AND TRANSPORTATION EQUIPMENT)

- 43-3411 Tin cans and other tinware.
- 74-3421 Cutlery.
- 74-3422 Edge tools.
- 74-3423 Hand tools (except edge tools, machine tools, files, and saws).
- 74-3424 Files.
- 74-3425 Hand saws and saw blades.
- 74-3429 Hardware, not elsewhere classified.
- 42-3431 Enameled-iron and metal sanitary ware and other plumbers' supplies.
- 42-3432 Oil burners, domestic and industrial.
- 42-3439 Heating and cooking apparatus (except electric), not elsewhere classified.
- 42-3441 Fabricated structural steel and ornamental metal work.
- 42-3442 Metal doors, sash, frames, molding, and trim.
- 44-3443 Boiler shop products.
- 42-3444 Sheet-metal work.
- 74-3461 Vitreous-enameled products.
- 45-3462 Automobile stampings.
- 44-3463 Stamped and pressed metal products (except automobile stampings).
- 43-3464 Powder metallurgy.
- 44-3465 Enameling, japanning, and lacquering.
- 44-3466 Galvanizing and other hot-dip coating.
- 74-3467 Engraving on metal.
- 44-3468 Electroplating, plating, and polishing.
- 42-3471 Lighting fixtures.
- 43-3481 Nails and spikes.
- 43-3489 Wirework, not elsewhere classified.
- 43-3491 Metal shipping barrels, drums, kegs, and pails.
- 72-3492 Safes and vaults.
- 44-3493 Steel springs.
- 43-3494 Bolts, nuts, washers, and rivets.
- 43-3495 Screw-machine products.
- 43-3496 Collapsible tubes.
- 43-3497 Gold, silver, tin, aluminum, and other foil.
- 74-3499 Fabricated metal products, not elsewhere classified.

MACHINERY (EXCEPT ELECTRICAL)

- 44-3511 Steam engines, turbines, and water wheels.
- 44-3519 Diesel and semi-Diesel engines; and other internal-combustion engines, not elsewhere classified.
- 44-3521 Tractors.

MACHINERY (EXCEPT ELECTRICAL)—continued

- 44-3522 Agricultural machinery (except tractors).
- 44-3531 Construction, mining and similar machinery (except oil-field machinery and tools).
- 44-3532 Oil-field machinery and tools.
- 44-3541 Machine tools.
- 44-3542 Metalworking machinery (except machine tools).
- 44-3543 Machine-tool accessories, other metalworking-machinery accessories, and machinists' precision tools.
- 44-3551 Food-products machinery.
- 44-3552 Textile machinery.
- 44-3553 Woodworking machinery.
- 44-3554 Paper-industries machinery.
- 44-3555 Printing-trades machinery and equipment.
- 44-3559 Special-industry machinery, not elsewhere classified.
- 44-3561 Pumps, air and gas compressors, and pumping equipment.
- 44-3562 Elevators and escalators.
- 44-3563 Conveyors and conveying equipment.
- 44-3564 Blowers, exhaust and ventilating fans.
- 44-3565 Industrial trucks, tractors, trailers, and stackers.
- 44-3566 Mechanical power-transmission equipment (except ball and roller bearings).
- 44-3567 Industrial furnaces and ovens.
- 42-3568 Mechanical stokers, domestic and industrial.
- 44-3569 General industrial machinery and equipment, not elsewhere classified.
- 72-3571 Computing machines and cash registers.
- 72-3572 Typewriters.
- 72-3575 Vending, amusement, and other coin-operated machines.
- 72-3576 Scales and balances.
- 72-3579 Office and store machines and devices, not elsewhere classified.
- 72-3581 Domestic laundry equipment.
- 44-3582 Commercial laundry, dry-cleaning, and pressing machines.
- 72-3583 Sewing machines.
- 72-3584 Vacuum cleaners.
- 72-3585 Refrigerators, refrigeration machinery, and complete air-conditioning units.
- 45-3586 Measuring-and-dispensing pumps.
- 72-3589 Service-industry and household machines, not elsewhere classified.
- 44-3591 Valves and fittings (except plumbers' valves).
- 42-3592 Fabricated pipe and fittings.
- 44-3593 Ball and roller bearings.
- 44-3599 Machine shops (jobbing and repair).

ELECTRICAL MACHINERY, EQUIPMENT, AND SUPPLIES

- 44-3611 Wiring devices and supplies.
- 44-3612 Carbon and graphite products for use in the electrical industry.
- 44-3613 Instruments for indicating, measuring, and recording electrical quantities and characteristics.
- 44-3614 Motors, generators, and motor-generator sets.
- 44-3615 Power and distribution transformers.
- 44-3616 Switchgear, switchboard apparatus, and industrial controls.
- 44-3617 Electrical welding apparatus.
- 44-3619 Electrical equipment for industrial use, not elsewhere classified.
- 72-3621 Electrical appliances.
- 44-3631 Insulated wire and cable.
- 44-3641 Electrical equipment for motor vehicles, aircraft, and railway locomotives and cars.
- 74-3651 Electric lamps.

ELECTRICAL MACHINERY, EQUIPMENT, AND SUPPLIES—CONTINUED

- 74-3661 Radios, radio and television equipment (except radio tubes), radar and related detection apparatus, and phonographs.
- 44-3662 Radio tubes.
- 74-3663 Phonograph records.
- 44-3664 Telephone and telegraph equipment.
- 44-3669 Communication equipment, not elsewhere classified.
- 44-3691 Storage batteries.
- 44-3692 Primary batteries (dry and wet).
- 44-3693 X-ray and therapeutic apparatus and non-radio electronic tubes.
- 74-3699 Electrical products, not elsewhere classified.

TRANSPORTATION EQUIPMENT

- 45-3711 Motor vehicles.
- 45-3712 Passenger-car bodies.
- 45-3713 Truck and bus bodies.
- 45-3714 Motor-vehicle parts and accessories.
- 45-3715 Truck trailers.
- 45-3716 Automobile trailers (for attachment to passenger cars).
- 44-3721 Aircraft.
- 44-3722 Aircraft engines and engine parts.
- 44-3723 Aircraft propellers and propeller parts.
- 44-3729 Aircraft parts and auxiliary equipment, not elsewhere classified.
- 44-3731 Ship building and repairing.
- 74-3732 Boat building and repairing.
- 44-3741 Locomotives and parts.
- 44-3742 Railroad and street cars.
- 45-3751 Motorcycles, bicycles, and parts.
- 74-3799 Transportation equipment, not elsewhere classified.

PROFESSIONAL, SCIENTIFIC, AND CONTROLLING INSTRUMENTS; PHOTOGRAPHIC AND OPTICAL GOODS; WATCHES AND CLOCKS

- 72-3811 Laboratory, scientific, and engineering instruments (except surgical, medical, and dental).
- 44-3821 Mechanical measuring and controlling instruments.
- 72-3831 Optical instruments and lenses.
- 72-3841 Surgical and medical instruments.
- 72-3842 Surgical and orthopedic appliances and supplies; and personal safety devices, not elsewhere classified.
- 72-3843 Dental equipment and supplies.
- 72-3851 Ophthalmic goods.
- 74-3861 Photographic equipment and supplies.
- 74-3871 Watches, clocks, and parts (except watchcases).
- 74-3872 Watchcases.

MISCELLANEOUS MANUFACTURING INDUSTRIES

- 74-3911 Jewelry (precious metal).
- 74-3912 Jewelers' findings and materials.
- 74-3913 Lapidary work.
- 74-3914 Silverware and plated ware.
- 74-3931 Pianos.
- 74-3932 Organs.
- 74-3933 Piano and organ parts and materials.
- 74-3939 Musical instruments, parts, and materials, not elsewhere classified.
- 73-3941 Games and toys (except dolls, and children's vehicles).
- 73-3942 Dolls.
- 74-3943 Children's vehicles.
- 74-3949 Sporting and athletic goods, not elsewhere classified.
- 72-3951 Pens, mechanical pencils, and pen points.
- 72-3952 Lead pencils and crayons.
- 72-3953 Hand stamps, stencils, and brands.
- 72-3954 Artists' materials.
- 72-3955 Carbon paper and inked ribbons.
- 74-3961 Costume jewelry and costume novelties (except precious metal).

RULES AND REGULATIONS

MISCELLANEOUS MANUFACTURING INDUSTRIES—
continued

74-3962 Feathers, plumes, and artificial flowers.
74-3963 Buttons.
74-3964 Needles, pins, hooks and eyes, and similar notions.
74-3971 Fabricated plastics products, not elsewhere classified.
74-3981 Brooms and brushes.
42-3982 Cork products.
13-3983 Matches.
74-3984 Candles.
93-3985 Fireworks and pyrotechnics.
74-3986 Jewelry cases and instrument cases.
74-3987 Lamp shades.

MISCELLANEOUS MANUFACTURING INDUSTRIES—
continued

72-3988 Morticians' goods.
72-3991 Beauty-shop and barber-shop equipment.
54-3992 Furs, dressed and dyed.
72-3993 Signs and advertising displays.
74-3994 Hair work.
74-3995 Umbrellas, parasols, and canes.
74-3996 Tobacco pipes and cigarette holders.
72-3997 Soda-fountain and beer-dispensing equipment.
44-3998 Models and patterns (except paper patterns).
74-3999 Miscellaneous fabricated products, not elsewhere classified.

ORDNANCE AND ACCESSORIES

44-1911 Guns, howitzers, mortars, and related equipment.
44-1921 Artillery ammunition.
44-1922 Ammunition loading and assembling.
44-1929 Ammunition, not elsewhere classified.
44-1931 Tanks and tank components.
44-1941 Sighting and fire-control equipment.
74-1951 Small arms.
74-1961 Small arms ammunition.
44-1999 Ordnance and accessories, not elsewhere classified.
[Item 9 added by Amdt. 1]

OPS Public Form No. 8

UNITED STATES GOVERNMENT
OFFICE OF PRICE STABILIZATION
WASHINGTON 25, D. C.

Form approved
Budget Bureau No. 94-5119

MANUFACTURER'S PRICE ADJUSTMENT REPORT
Pursuant to Ceiling Price Regulation 22

The individual company information reported on this form is for use in connection with the defense mobilization program. Persons who have access to individual company information are subject to penalties for unauthorized disclosure.

See the reverse side of this form for instructions.

Name of Firm	Address (Street and No.)	(City, Zone)	(State)	(Code for item 1)
1. Describe the Category or Product Line Covered by This Report				
2. Give the Dates of the Base Period Used		3. Estimated 1950 Dollar Sales		4. Labor Cost Adjustment Factor
From _____ To _____		\$ _____		
5. Materials Cost Adjustment Factor (Complete this part if method 1, 3, or 4 is used)				
Method 1 <input type="checkbox"/> Method 3 <input type="checkbox"/> Method 4 <input type="checkbox"/>		Adjustment Computed for Selected Commodity		Name of Commodity
Adjustment Factor _____		Base Period Selling Price for This Commodity		
		\$ _____		
6. Price Adjustment Ratio _____ (for use only under Supplementary Regulation 2 to CPR 22)				
7. Certification Regarding Proposed Ceiling Price Increases Over General Ceiling Price Regulation				
I certify that no ceiling price calculated under the regulation for commodities covered by 1 above exceeds the GPCR ceiling price, except as listed in 8 below and I understand that an increase proposed below shall be effective 15 days after OPS receives this report, but not prior to May 28, 1951, unless I am notified by OPS that the price has been disapproved or that more information is required.				
Notice: A willful false return is a criminal offense.				

Signature of officer or authorized agent of firm

Title

Date

8. Proposed ceiling price increases

Name and specification of item (include physical unit priced)	Class of customer and terms of sale	Estimated 1950 dollar sales	Base period price	GPCR price	Proposed price	Proposed price as a percentage of GPCR price Col. (f) ÷ (e)	Materials cost adjustment (method 2 only)	(For OPS use only)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	

This form may be reproduced without change. (Attach continuation sheets as necessary. Identify columns with same letters used above.)

APPENDIX E

This appendix contains three "worksheets" for certain of the calculations required in determining ceiling prices under this regulation. No actual copies of such worksheets will be printed for distribution by OPS. They are shown only to indicate the content and arrangement of data appropriate for certain important calculations, for a record of these calculations for your own use, for examination by OPS representatives, and for submittal on request to OPS. Any other arrangement which presents the same data and calculations is acceptable.

The worksheets comprise: Worksheet 1, "Labor Cost Adjustment Worksheet," for use in connection with Sections 8 and 9; Worksheet 2, "Materials Cost Adjustment Worksheet for Methods 1 and 4," for use in connection with Sections 13 and 16; and Worksheet 3, "Materials Cost Adjustment Worksheet for Methods 2 and 3," for use in connection with Sections 14 and 15.

Note that the worksheets do not cover all necessary calculations under the regulation

for which systematic working papers are necessary. For example, the final determination of a ceiling price will require also computation of actual adjustments (based on the adjustment factors), the addition of these to base period prices, and the application of customary differentials to determine prices to different classes of customers. Moreover, the worksheets are designed for the more usual situation and will not necessarily fit all special computations provided for by the regulations.

Worksheet 1

LABOR COST ADJUSTMENT WORKSHEET

Name of Firm _____
Street Address _____
City, postal zone, State _____

CPR 22

Instruction: One calculation, as shown below, may be made for the entire company or a separate calculation for each unit of the business, as provided in section 7 of the regulation.

1. Method used (check one)
☐ Entire company ☐ Unit located at _____ and identified as _____
 2. Net sales for year ending _____ \$ _____
 3. Factory payroll for year covered in (2) _____
 4. Labor cost ratio (line 3 divided by line 2) _____
 5. Wage increase factor (from Supplement: Line G) _____
 6. Labor-cost adjustment factor (line 4 multiplied by line 5) _____

SUPPLEMENT: COMPUTATION OF WAGE INCREASE FACTOR

(The method indicated below need not be followed precisely. Some other method more suitable to your records and accounts may be used as provided in Section 8 of the regulation.)

- A Base period payroll (See section 8 (c)) \$ _____, (covering period from _____ to _____).
 B Recomputation of payroll:

(a) Type of labor	(b) Hours included in base period payroll	(c) Hourly rate of pay as of 3/15, 1951	(d) Recomputed payroll (c) times (b)

- C Total recomputed payroll without fringe benefits (total of column (d) in B) _____ \$ _____
 D Value of increase in fringe benefits since base period payroll _____
 E Recomputed payroll including increase in fringe benefits (line C plus line D) _____
 F Excess of recomputed payroll over base payroll (line E minus line A) _____
 G Wage increase factor (line F divided by line A) _____
 Enter this amount in line 5 above.

Worksheet 2

MATERIALS COST ADJUSTMENT WORKSHEET
FOR METHODS 1 AND 4Name of Firm _____
Street Address _____
City, Postal Zone, State _____

Instruction: If you use Method 1 and your business has more than one plant you must make a separate calculation for each plant (or smaller unit if you prefer.) If you use Method 4, you must make a separate calculation for each product line or category.

COMPUTATIONS BELOW ARE UNDER: _____

1. (a) Method 1 (check and complete (1) or (2)):
 (1) ☐ for entire business consisting of one unit
 (2) ☐ for unit located at _____ and identified as _____ (Name of unit)
 (b) Method 4 (check and complete (1) or (2)):
 (1) ☐ for product line identified as _____
 (2) ☐ for category identified as _____
 2. Identify the Accounting Period used for this computation and corresponding sales data:
 (a) (1) For Method 1: Year ending _____
 Month, day, year
 (2) For Method 4: Period beginning on _____ and ending on _____
 Month, day, year Month, day, year
 (b) Net Sales for above period for category, product line, or other unit indicated in (1) \$ _____
 3. Indicate the base period used for determining material costs (section 4): From _____ to _____
 4. Changes in Materials Costs

(a) Material used during accounting period	(b) Physical amount of material used during accounting period	(c) Cost per unit at end of base period	(d) Cut-off date used (Dec. 31, 1950 etc.—specify)	(e) Cost per unit at cut-off date	(f) Change in net cost per unit (e) — (c)	(g) Dollar cost increase (f) X (b)	(h) Subsection(s) of sec. 18 used for determining costs per unit for end of base period and cut-off date

5. Aggregate dollar cost increase (total of increase minus total of decrease in col. g of 4) _____
 6. Materials cost adjustment factor (divide figure derived in 5 above by Net Sales shown in 2 (b) above) _____

Worksheet 3
CPR 22MATERIALS COST ADJUSTMENT WORKSHEET
FOR METHODS 2 AND 3Name of Firm _____
Street Address _____
City, Postal Zone, State _____

Instruction: If you use Method 2 you must make a separate calculation for each commodity. If you use Method 3, then the calculation must be for the best selling commodity in the product line which is to be priced.

1. (a) Method used:
 (1) ☐ Method 2 (complete b).
 (2) ☐ Method 3 (complete b and c).
 (b) If Method 2 is used insert name of commodity. If Method 3 is used insert name of best selling commodity. Commodity _____
 (c) If Method 3 is used describe the product line _____
 2. Indicate the base period used for determining material costs (see section 4): From _____ to _____
 3. Changes in materials cost

(a) Material used	(b) Physical amount of material used in one unit of the commodity	(c) Cost per unit at end of base period	(d) Cut-off date used (Dec. 31, 1950, etc.—specify)	(e) Cost per unit at cut-off date	(f) Change in net cost per unit (e) — (c)	(g) Dollar cost increase (f) X (b)	(h) Subsection(s) of sec. 18 used for determining costs per unit for end of base period and cut-off date

4. Materials cost adjustment (total of increases minus total of decreases in column (g) of 3) (this is the final result under Method 2) _____ \$ _____
 5. Materials cost adjustment factor (For Method 3 only):
 (a) Base period price per unit for commodity named in 1 (b) _____ \$ _____
 (b) Divide result obtained in 4 by entry for 5a (this is the final result under Method 3) _____ \$ _____

[F. R. Doc. 51-12421; Filed, Oct. 12, 1951; 3:44 p. m.]

[Survey Report Regulation 1]

SRR 1—CORPORATE ISSUERS OF SECURITIES,
QUARTERLY FINANCIAL REPORTSPursuant to the Defense Production
Act of 1950, as amended (Pub. Law 774,81st Cong., Pub. Law 96, 82d Cong.),
Executive Order 10161 (15 F. R. 6105),
and Economic Stabilization Agency Gen-
eral Order No. 2 (16 F. R. 738), this Sur-
vey Report Regulation No. 1 is hereby
issued.

STATEMENT OF CONSIDERATIONS

The Securities and Exchange Commis-
sion, since 1947, has been receiving cer-
tain quarterly financial reports on a
voluntary basis from manufacturing
corporations which are subject to the re-

RULES AND REGULATIONS

porting requirements of sections 13 (a) and 15 (d) of the Securities Exchange Act of 1934 and the Commission's rules and regulations thereunder. The data collected have been used in the preparation of the Quarterly Industrial Financial Report Series which provides aggregate balance sheet and income figures for manufacturing corporations in the United States, classified according to size and industry groups. Under a working agreement with the Office of Price Stabilization, the Securities and Exchange Commission has undertaken to obtain more detailed information of the above character with respect to non-manufacturing, as well as manufacturing, corporations, so as to enable that Commission to provide the Office of Price Stabilization with special tabulations of financial data adapted to the use of the latter agency. The Director of Price Stabilization has determined that quarterly reports containing such information, certain supplemental schedules containing like financial data, and the resulting statistical compilations based thereon, are necessary and appropriate for use by the Office of Price Stabilization in carrying out its functions under the Defense Production Act of 1950 as amended, and in the administration and enforcement of that Act and regulations or orders promulgated thereunder.

In the formulation of this regulation, special circumstances have rendered consultation with industry representatives, including trade association representatives, impracticable.

REGULATORY PROVISIONS

Sec.

1. Those who are subject to this regulation.
2. Reports to be filed.

AUTHORITY: Sections 1 and 2 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup., 2154. Interpret or apply Title IV, 64 Stat. 803, as amended, 50 U. S. C. App. Sup., 2101-2110, 2155, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

SECTION 1. Those who are subject to this regulation. You are subject to this regulation if you are a corporate issuer of securities who is required to file annual reports with the Securities and Exchange Commission in accordance with sections 13 (a) or 15 (d) of the Securities Exchange Act of 1934 (15 U. S. C. 78m, 780) and the rules and regulations promulgated by the Securities and Exchange Commission thereunder.

SEC. 2. Reports to be filed. Upon request by the Securities and Exchange Commission, you must furnish that Commission, (a) the balance sheet and income account data specified in the Quarterly Financial Report form of the Securities and Exchange Commission, approved by the Bureau of the Budget pursuant to the Federal Reports Act of 1942, within thirty (30) days after the close of each calendar quarter, and (b) such supplemental schedules of financial data, specified in a form similarly approved by the Bureau of the Budget, as may be requested by the Securities and Exchange Commission.

Effective date. This regulation shall become effective October 17, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 12, 1951.

[F. R. Doc. 51-12422; Filed, Oct. 12, 1951; 3:44 p. m.]

[Ceiling Price Regulation 30, Supplementary Regulation 2, Revision 1, Amendment 1]

CPR 30—MACHINERY AND RELATED
MANUFACTURED GOODS

SR 2—MACHINE TOOLS

EXTENSION OF EFFECTIVE DATE

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 1 to Supplementary Regulation 2, Revision 1, to Ceiling Price Regulation 30 is hereby issued.

STATEMENT OF CONSIDERATIONS

As originally issued, Ceiling Price Regulation 30, Supplementary Regulation 2, Revision 1, Section 8 required the filing of OPS Public Form 8 by machine tool manufacturers by October 15, 1951. Experience under this regulation has shown that a number of manufacturers have experienced difficulty in completing OPS Form 8. To aid in the completion of this form OPS prepared instructions to guide machine tool manufacturers in completing this form. Since these instructions were not distributed to the members of the industry until approximately October 9, 1951, they could not assist in the preparation of forms filed on October 15, 1951. Accordingly, the mandatory filing date of the regulation has been extended to November 15, 1951. Manufacturers may still file on an earlier date, if they wish.

The need for the expeditious issuance of this amendment made formal consultation with members of this industry impossible. However, many members of the industry have expressed the need for this amendment.

AMENDATORY PROVISIONS

Supplementary Regulation 2, Revision 1, to Ceiling Price Regulation 30 is amended by amending section 8 to read as follows:

SEC. 8. Reports. You must file the reports required by section 44 of CPR 30 on or before November 15, 1951, instead of on or before August 13, 1951. In the event that you have already filed your reports under section 44 of CPR 30, you may redetermine your ceiling prices under the provisions of this revised supplementary regulation. In case of such a redetermination, you must file an amended Public Form 8 by November 15, 1951. You shall not reflect in your original or amended Public Form 8, increases in your ceiling prices due to increased overtime or shift premiums or increased subcontracting. The "base period price" reported in Item 8 (d) of

Public Form 8 shall be the adjusted base period price as provided in section 3 (b) of this revised supplementary regulation. Your ceiling prices for commodities covered by this revised supplementary regulation are established by the General Ceiling Price Regulation until November 15, 1951, or such earlier date between the effective date of this revised supplementary regulation and November 15, 1951, as you may select.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment shall become effective October 15, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 15, 1951.

[F. R. Doc. 51-12467; Filed, Oct. 15, 1951; 11:33 a. m.]

TITLE 45—PUBLIC WELFARE

Chapter I—Office of Education,
Federal Security Agency

PART 104—CONSTRUCTION OF SCHOOL FACILITIES IN AREAS AFFECTED BY FEDERAL ACTIVITIES

SUBPART B—DEADLINE FOR APPLICATIONS FOR PAYMENTS AND ORDER OF CERTIFICATIONS FROM FUNDS AVAILABLE FOR FISCAL YEAR 1952

Part 104, "Construction of School Facilities in Areas Affected by Federal Activities," is hereby amended by redesignating §§ 104.1 to 104.7, inclusive, as "Subpart A—Deadline for Applications for Payments and Order of Certifications from Funds Available for Fiscal Year 1951" and by the addition of §§ 104.10 to 104.17, inclusive, which shall be designated "Subpart B—Deadline for Applications for Payments and Order of Certifications from Funds Available for Fiscal Year 1952."

Sec.

- 104.10 Definitions.
- 104.11 Procedure if funds are inadequate to make all payments.
- 104.12 Determination made for fiscal year 1952 of insufficiency of available funds.
- 104.13 Deadline for applications for payments from funds available for fiscal year 1952.
- 104.14 Order of making certifications from available funds.
- 104.15 Priority certifications restricted to cost of minimum school facilities.
- 104.16 Priority and certification conditioned on readiness to proceed with construction.
- 104.17 Preceding provisions not exhaustive of jurisdiction of Commissioner of Education.

AUTHORITY: §§ 104.10 to 104.17 issued under sec. 203, 64 Stat. 975; 20 U. S. C. 278. Interpret or apply sec. 206 (64 Stat. 973; 20 U. S. C. 276).

§ 104.10 **Definitions.** All terms used in this part which are defined in Public Law 815, 81st Congress, and not defined in this section shall have the meaning given to them in such act. As used in this part, the following terms shall have the meaning indicated hereinbelow:

(a) *Complete application.* Where applicant submits only one project, the complete application consists of both Part I (Entitlement) and Part II (Project) of the application form RSF-2 prescribed by the Commissioner for use under this act, properly completed and executed, together with all documents, amendments, and communications in support thereof. Where applicant submits more than one project, the Part I form and all Part II forms, together with all documents, amendments, and communications in support thereof, submitted by a local educational agency shall be considered as the complete application. Where more than one Part II application is submitted by an applicant, applicant shall indicate the order in which its project applications are to be considered by the Commissioner.

(b) *Project application.* Form RSF-2, Part II, properly completed and executed, making application for Federal assistance in the construction of new school buildings, or the addition to or modification of existing school buildings, upon a single site.

§ 104.11 *Procedure if funds are inadequate to make all payments.* Section 206 (d), Public Law 815, 81st Congress reads as follows:

If the Commissioner of Education determines for any fiscal year that the funds which will be available therefor may not be sufficient to pay in full the amounts which all local educational agencies would otherwise be entitled to receive under applications approved under this Title before the end of such year, he shall by regulations prescribe (1) a date or dates before which all applications for payments out of such funds shall be filed, and (2) the order in which the certifications required by subsections (a) and (b) of this section will be made. The order so prescribed shall be based on relative urgency of need and shall give applications under section 205 (b) priority over applications under section 205 (c).

§ 104.12 *Determination made for fiscal year 1952 of insufficiency of available funds.* The Commissioner of Education has determined that for the fiscal year 1952 available funds may not be sufficient to pay in full the amounts which all local educational agencies would otherwise be entitled to receive under sections 202 and 205, as provided in section 206 (d), Public Law 815, 81st Congress.

§ 104.13 *Deadline for applications for payments from funds available for fiscal year 1952.* By reason of the foregoing, October 27, 1951, is hereby fixed as the date on or before which all complete applications for payments out of funds available for the fiscal year 1952 shall be filed. Complete application submitted pursuant to Public Law 815, which were filed with the Commissioner of Education before July 1, 1951, and remained so filed on that date, will be treated as having been filed on July 1, 1951, for the purpose of participating in appropriations for the fiscal year 1951-52: *Provided, however,* That in such cases applicants must, on or prior to October 27, 1951, provide the Commissioner with the most recent data requested by the Commissioner to facilitate making the determinations required by § 104.14 (a).

For this latter purpose, applicants must file with the Commissioner on or before October 27, 1951, such required data on a new RSF-2, Part I, form. If they so desire, applicants may, on or prior to October 27, 1951, submit a new project application, or a revised project application, and for that purpose may file and support a new or revised RSF-2, Part II, form in addition to the data filed on the new RSF-2, Part I, form; but in such event the complete applications will be treated as though filed initially upon the date when such new or revised project application is submitted and filed. Determinations as to whether or not filings have been made on or before October 27, 1951, will be made on the basis of the postmark or other proof of mailing.

§ 104.14 *Order of making certifications from available funds.* Subject to the condition of readiness hereinafter stated, the order in which certifications required by subsections (a) and (b) of section 206, Public Law 815, 81st Congress from funds appropriated in fiscal year 1951-1952 and available therefor on October 27, 1951, will be made is as follows:

(a) *Preference to project applications for school facilities where none are presently available.* Project applications designed to provide school facilities for children for whom no facilities are presently available, as indicated in subparagraph (1) of this paragraph, will be preferred.

(1) *When children deemed to be without school facilities.* For the purposes of this section, children will be deemed to be without school facilities who (i) are in excess of 110 percent of the normal one-session-per-day capacity of the usable school facilities presently available or (ii) are presently housed in basement rooms, hallways or other space the use of which for school purposes in view of its character, inaccessibility, or other equally cogent reason, seriously prejudices or would seriously prejudice the educational objective or has impaired or will impair the health of the school children. All facilities which were constructed as school buildings and which have been used continuously for classroom purposes shall be considered as available or usable, unless such buildings have been made unsafe or otherwise usable to the extent that such buildings have been abandoned or must be abandoned during the current year.

(2) *Determination of order of priority for payments.* A priority index will be determined for the first or number one project application for each applicant by adding (i) the percentage of the average daily attendance with respect to which the local agency is eligible for payment under the act and the application is made, to (ii) the percentage of the school membership within the same jurisdictional area which is without school facilities under the definition in subparagraph (1) of this paragraph, those project applications with the highest combined percentages being first certified for payment: *Provided,* That in no case shall the total of the two percentages used in determining the priority index exceed twice the percentage described in subdivision (i) of this subparagraph:

(3) *Provided, however,* (1) That where the jurisdictional area of the applicant with respect to which the application is made comprises an extensive territory and the Federal activity is localized within an area served by one or more attendance centers, and the other attendance centers within the District are substantially unavailable to meet the needs of such attendance centers affected by Federal activities, then, in such case, the percentages described in subdivision (i) and (ii) of subparagraph (2) of this paragraph will be determined with respect to the Federally affected attendance areas, and not with respect to the entire school district or jurisdiction: *And provided,* (ii) That where an applicant has filed more than one project application, the priority index for the second project application considered for certification will be determined by: (a) Dividing 110 percent of the normal capacity of the first project by the total membership; (b) reducing the applicant's priority index for the second project application considered by twice the percentage obtained in (a). Where more than two project applications have been filed, the applicant's priority index for each succeeding project application considered for certification shall be reduced by the cumulative total capacity, as provided in subdivision (a) of this subparagraph, of all the certified projects of the applicant agency: *And provided,* (iii) That all school facilities for the construction of which contracts were let before July 1, 1951, shall be considered as available facilities in determining the priority index and, in addition, all projects on which a payment has been certified under the provisions of this act shall be considered to be available as of the date of certification of the first payment.

(4) *Responsibility of applicant and Field Representative in priority determinations.* The applicant must submit as a part of its complete application all facts and circumstances in each case which are pertinent to an accurate determination of priority status as above, and the Field Representative will assume primary responsibility for designating and determining differentiated attendance centers under subparagraph (3) (i) of this paragraph.

(b) *Certification of remaining funds and priority of construction applications over reimbursement applications.* Federal funds not certified under paragraph (a) of this section may be drawn upon to replace or improve obsolescent, substandard, or temporary facilities, or for projects requiring amounts of Federal funds in excess of those necessary to provide minimum facilities as described in § 104.15. All applications under section 205 (b), Public Law 815, 81st Congress will have priority over applications under section 205 (c), Public Law 815, 81st Congress.

§ 104.15 *Priority certifications restricted to cost of minimum school facilities.* Certification of funds for priority projects will be restricted in amount to the cost of providing minimum school facilities necessary to operate a school program on a one-session-per-day basis above the kindergarten level, including

an all-purpose room and auxiliary school facilities, exclusive of single-purpose auditoria or gymnasias, for 91 percent of those children deemed to be without school facilities as defined in this Subpart. All school facilities for which contracts have been let or for which a payment has been certified under this Act prior to the date of the first certification of funds on each project application under section 206 (a) shall be considered to be available in determining the amount of funds which may be certified on such application. In no instance will the funds certified exceed the Federal funds requested in the application. However, nothing contained in the regulations of this Subpart shall be deemed to bar the State, or the applicant with the approval of the State educational agency, from using for an approved project, in addition to the Federal grant, moneys otherwise obtained to provide a higher type or larger or better implemented facility, as the State or local authorities may deem reasonable under the existing circumstances. The applicant will be required to show in such cases that the added cost is being thus independently met.

§ 104.16 *Priority and certification conditioned on readiness to proceed with construction.* Certification and transfer of funds with respect to any project application described in this subpart will be subject to postponement in the event the applicant is not ready to proceed with construction before June 30, 1952, and may be subordinated by reason thereof to other project applications of lower rank or forfeit its priority in the discretion of the Commissioner.

§ 104.17 *Preceding provisions not exhaustive of jurisdiction of Commissioner of Education.* The provisions of §§ 104.10 to 104.16, inclusive, shall not be deemed exhaustive of the jurisdiction of the Commissioner of Education under section 206 (d), Public Law 815, 81st Congress. Such provisions may be modified or further regulations may be issued hereafter as circumstances may require.

Dated: September 28, 1951.

[SEAL] EARL J. McGRATH,
United States Commissioner
of Education.

Approved: October 10, 1951.

JOHN L. THURSTON,
Acting Federal Security
Administrator.

[F. R. Doc. 51-12347; Filed, Oct. 15, 1951;
8:49 a. m.]

TITLE 47—TELECOMMUNICATION

Chapter I—Federal Communications Commission

PART 7—STATIONS ON LAND IN THE MARITIME SERVICES

PART 8—STATIONS ON SHIPBOARD IN THE MARITIME SERVICES

MISCELLANEOUS AMENDMENTS, CORRECTION

In F. R. Document 51-8651 published at page 7357, July 27, 1951, issue of the FEDERAL REGISTER the following footnote

indicators are substituted for those published.

In Appendix II, Part 7 footnote indicators 8, 8a, 8b, and 8c are changed to 2, 3, 4, and 5 respectively, and footnotes to the table numbered 8a, 8b, and 8c are changed to 3, 4, and 5 respectively.

In Appendix II, Part 8 footnote indicators 5, 6, and 7 are changed to 2, 3, and 4, respectively. Footnote indicator 5 is inserted after Portland, Oregon, opposite frequency 2206 kc. There is no change in the text of the footnotes as originally printed.

(Sec. 4, 48 Stat. 1066 as amended; 47 U. S. C. 154. Interprets or applies sec. 303, 48 Stat. 1062, as amended; 47 U. S. C. 303)

FEDERAL COMMUNICATIONS COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-12394; Filed, Oct. 15, 1951;
8:58 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Subchapter A—General Rules and Regulations [2d Rev. S. O. 856, Amdt. 1]

PART 95—CAR SERVICE

SATURDAYS TO BE INCLUDED IN COMPUTING DEMURRAGE ON ALL FREIGHT CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of October A. D. 1951.

Upon further consideration of Second Revised Service Order No. 856 (16 F. R. 3929), and good cause appearing therefor: *It is ordered, That:*

Section 95.856 *Saturdays to be included in computing demurrage on all freight cars*, of Second Revised Service Order No. 856 be, and it is hereby, amended by substituting the following paragraph (f) for paragraph (f) thereof:

(f) *Expiration date.* This section shall expire at 11:59 p. m., January 31, 1952, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

Effective date. This amendment shall become effective at 7:00 a. m., October 15, 1951.

It is further ordered, That a copy of this amendment and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies secs. 1, 15, 24 Stat. 379, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-12362; Filed, Oct. 15, 1951;
8:51 a. m.]

[Rev. S. O. 872, Amdt. 1]

PART 95—CAR SERVICE

MOVEMENT OF GRAIN TO TERMINAL ELEVATORS BY PERMIT

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 10th day of October A. D. 1951.

Upon further consideration of the provisions of Revised Service Order No. 872 (16 F. R. 8184), and good cause appearing therefor: *It is ordered, That:*

Section 95.872 Revised Service Order No. 872, *Movement of grain to terminal elevators by permit* be, and it is hereby, amended by substituting the following paragraph (e) hereof for paragraph (e) thereof:

(e) *Expiration date.* This section shall expire at 11:59 p. m., January 31, 1952, unless otherwise modified, changed, suspended, or annulled by order of this Commission.

It is further ordered, That this amendment shall become effective at 7:00 a. m., October 15, 1951; that a copy of this order and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

(Sec. 12, 24 Stat. 383, as amended; 49 U. S. C. 12. Interprets or applies secs. 1, 15, 24 Stat. 379, 384, as amended; 49 U. S. C. 1, 15)

By the Commission, Division 3.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 51-12363; Filed, Oct. 15, 1951;
8:51 a. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

Subchapter C—Management of Wildlife Conservation Areas

PART 31—PACIFIC REGION

SUBPART—MINIDOKA NATIONAL WILDLIFE REFUGE, IDAHO

FISHING; PUBLIC USE

Basis and purpose: On the basis of observations and reports of field representatives of the Fish and Wildlife Service, it has been determined that fishing and certain public uses can be permitted at certain times and in certain areas of the Minidoka National Wildlife Refuge without interfering with the primary purpose of the Refuge.

Inasmuch as the following regulations are relaxations of existing regulations applicable to the Minidoka National Wildlife Refuge, publication prior to the effective date is not required (60 Stat. 237; 5 U. S. C. 1001 et seq.).

Effective immediately upon publication in the FEDERAL REGISTER, the following subpart is added:

FISHING

- Sec.
 31.243 Fishing permitted.
 31.244 Area closed to fishing.
 31.245 Entry.
 31.246 Fishing licenses and permits.
 31.247 Temporary restrictions.

PUBLIC USE

- 31.248 Public use areas.
 31.249 Use of boats.
 31.250 Fires.

AUTHORITY: §§ 31.243 to 31.250 issued under sec. 10, 45 Stat. 1224; 16 U. S. C. 7151.

FISHING

§ 31.243 *Fishing permitted.* Commercial and noncommercial fishing, in accordance with the laws and regulations of the State of Idaho, are permitted during the daylight hours in certain waters of the Minidoka National Wildlife Refuge except during the Federal open season for the hunting of migratory birds in Idaho and subject to the requirements and limitations of §§ 31.244 to 31.250, inclusive.

§ 31.244 *Area closed to fishing.* Fishing is prohibited in the vicinity of the dam and power house and in such other areas as may be designated by suitable posting by the officer in charge of the Refuge.

§ 31.245 *Entry.* Entry on and use of the refuge for any purpose are governed by Parts 18 and 21 of this chapter, and strict compliance therewith is required. Persons entering the refuge for any purpose must follow such routes of travel within the refuge as are designated by posting by the officer in charge of the refuge.

§ 31.246 *Fishing licenses and permits.* Any person fishing noncommercially within the refuge must possess a valid fishing license issued by the State of Idaho, if such license is required, which license shall serve as a Federal permit for

fishing in the refuge. Any person fishing commercially within the refuge shall, in addition to such State license as may be required, possess a permit issued by the officer in charge of the refuge which shall specify the water or waters in which the permittee may fish and the period during which such fishing may be performed, and the officer in charge may limit the kinds of fish that may be taken and the number of permits that may be issued for any particular waters during such periods as he determines to be necessary for the protection of or to prevent disturbance to wildlife using such waters or areas.

§ 31.247 *Temporary restrictions.* The officer in charge may temporarily suspend fishing in all or part of the refuge by suitable posting when, in his judgment, such action is necessary for the protection of migratory waterfowl, wildlife concentrations, fishes or other aquatic animal life, food and cover plantings for wildlife, or for the carrying out of official operation in such area.

PUBLIC USE

§ 31.248 *Public use areas.* Picnicking, swimming, skating, and other recreational uses may be conducted without permit at such times and in such areas as the officer in charge of the refuge may officially designate by posting for such activities.

§ 31.249 *Use of boats.* Motorboats and other boats may be operated without permit during the daylight hours of each day during the period May 1 to September 30, inclusive, of each year on the Snake River (Lake Walcott) in an area designated by appropriate posting lying between the Minidoka Dam located in Section 1, T. 9 S., R. 25 E., B. M., and the west end of Bird Island located in Sections 1 and 2, T. 9 S., R. 26 E., and during the legal fishing season in that portion of the Snake River lying be-

tween the west boundary of the refuge and the foot of the rapids, west of the Minidoka Dam; provided any motorboat racing shall be officially sponsored by a recognized civic organization or motorboat club. A boating lane, one-fourth mile in width, starting at the shore end of a certain unimproved and unnamed road, described as forming a junction with U. S. Highway 30 North at the southeast corner of Section 19, T. 9 S., R. 27 E., B. M., thence running generally in a northeasterly direction one and one-quarter miles to the south shore of the Snake River (Lake Walcott), and running east across the Snake River (Lake Walcott) to Smith Springs, located in the SW¼ Section 16, T. 9 S., R. 27 E., B. M., and a section boating lane, one-fourth mile in width starting at the intersection of the section line common to Sections 19 and 20, T. 9 S., R. 26 E., B. M., and the south shore of the Snake River and running northeasterly across the Snake River to Gifford Springs located in the W½ Section 16, T. 9 S., R. 28 E., B. M., are established for the sole purpose of permitting fishermen to cross the Snake River by boat to reach the fishing areas at aforesaid springs. Boating lanes so established may be used without permit at any time it is legal to fish in the refuge. Nothing herein shall be construed as granting permission for any person to land from any boat on any of the islands lying in the Snake River within the boundaries of the refuge, and such landings are prohibited.

§ 31.250 *Fires.* The lighting of fires for any purpose is permitted only on officially designated public use areas.

Dated: October 9, 1951.

O. H. JOHNSON,
 Acting Director.

[F. R. Doc. 51-12342; Filed, Oct. 15, 1951; 8:47 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing
Administration

[7 CFR Part 905]

[Docket Nos. AO-209-A2, AO-209-A2-RO1]

HANDLING OF MILK IN THE OKLAHOMA
 CITY, OKLA., MARKETING AREA

DECISION WITH RESPECT TO A PROPOSED
 MARKETING AGREEMENT AND A PROPOSED
 ORDER AMENDING THE ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), public hearings were conducted at Oklahoma City, Oklahoma, on July 11, 1951, and August 30, 1951, pursuant to notices thereof which were

No. 201—7

issued on June 22, 1951 (16 F. R. 5997) and August 22, 1951 (16 F. R. 8603).

Upon the basis of the evidence introduced at the hearing July 11, 1951, and the record thereof the Assistant Administrator, Production and Marketing Administration, on August 8, 1951, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision and opportunity to file written exceptions thereto was published in the FEDERAL REGISTER on August 11, 1951 (16 F. R. 7946). Subsequently the hearing was reopened August 30, 1951, to receive additional evidence with respect to a proposal upon which evidence was received at the hearing of July 11, 1951, and upon the basis of the evidence introduced at the hearings and the records thereof the Deputy Assistant Administrator, Production and Marketing Administration on September 14, 1951, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision with respect to

such proposal and opportunity to file written exceptions thereto was published in the FEDERAL REGISTER on September 19, 1951 (16 F. R. 9528).

The material issues of record related to proposals with respect to:

- (1) Expansion of the marketing area;
- (2) The pricing of Class II milk;
- (3) Qualification of plants whose receipts of milk are to be included in the computation of the uniform price to producers;
- (4) The classification of concentrated milk and yogurt;
- (5) The computation of daily average bases for producers;
- (6) Payroll reports of handlers;
- (7) Payments from handlers who use other source milk when producer milk is available;
- (8) Allocation provisions of the order during temporary periods of short supply;

No evidence was introduced in support of a proposal to require handlers to sup-

ply producers with supporting statements when making payments.

Findings and conclusions. The following findings and conclusions on these issues are based upon the evidence introduced at the hearing and the record pertaining thereto:

1. The marketing area should be expanded by the addition of Edmond, Lincoln and Elk townships and four sections of land in Choctaw township all in Oklahoma County, and Dale, Davis, Dent, Bock, Erinton, Forest and Earlsboro townships, Pottawatomie County, Oklahoma.

The marketing area now comprises 14 townships (less four sections of land) of the 20 townships in Oklahoma County and the six townships in Cleveland County. It was proposed by producers that the area in Oklahoma County be expanded to include the entire county and that Pottawatomie County be included. No change was proposed with respect to the area in Cleveland County.

Five of the six townships in Oklahoma County not now included in the marketing area constitute the northern tier of townships in the county. The city of Edmond with a population of approximately 5,000 is situated at the boundary line of Edmond and Lincoln townships and is also adjacent to the boundary of the present marketing area. A handler with a plant in Edmond operates routes in the present marketing area and is subject to the order. Oklahoma City handlers sell milk in Edmond. Health requirements for milk to be sold in Edmond and these two townships are now similar to those of the marketing area. It is concluded that the townships of Edmond and Lincoln should be included in the marketing area. There is no evidence that any additional milk will be brought under regulation by this change and no opposition to the addition of these two townships was made at the hearing. With respect to Deer Creek, Deep Fork and Luther townships it appears that the total volume of milk sold is relatively small and that a handler from Guthrie sells a larger volume than do Oklahoma City handlers. The proposal to include these townships was not supported by the proponents at the hearing, and on the basis of the record should not be adopted.

The proposal to include in the marketing area Elk township and four sections of land in Choctaw township, Oklahoma County, is associated with the proposal to include Pottawatomie County. This area was originally excluded in order not to bring under regulation a handler whose principal business is in Pottawatomie County. The principal urban center of population in Pottawatomie County is Shawnee, a city of 22,000 population about 38 miles from Oklahoma City.

The health requirements for the production of milk to be sold as fluid milk in Shawnee are identical with those that apply for Oklahoma City and Norman, the principal cities of the marketing area as presently constituted. These same requirements also apply for milk to be sold as Grade A milk in the rural areas and the smaller towns of Pottawatomie, Oklahoma, and Cleveland counties.

Producers supplying plants in Shawnee are intermingled to a marked degree with those supplying Oklahoma City. Of the total of 127 producers approved for Shawnee, 103 were shown to receive mail from the same post offices as 114 Oklahoma City producers. Producers readily shift their marketings of milk from Oklahoma City to Shawnee and vice versa. Since the issuance of an order for the Oklahoma City market in May 1950, there has been an increased tendency for producers to shift from the Shawnee market to the Oklahoma City market. Shawnee producers have not had the assurance that they will be paid for their milk in accordance with its use that Oklahoma City producers have had.

The common interests of these intermingled producers have recently been recognized by the cooperative associations which previously had sought to represent Oklahoma City and Shawnee producers separately. A local association of producers supplying the Shawnee market has amalgamated with the cooperative association representing a majority of Oklahoma City producers. Thus, one cooperative association now accepts responsibility for supplying Oklahoma City, Norman and Shawnee from a common supply area. The ability of producers to supply handlers with milk in accordance with their needs will be enhanced if all the affected producers are included in one pool to which a single uniform producer price applies. This may best be achieved by defining the marketing area to include all three cities.

Oklahoma City handlers now sell very little milk in Pottawatomie County. In part this may be due to a requirement, now no longer effective, that all milk sold in Shawnee be pasteurized within 25 miles of that city. Oklahoma City handlers do, however, compete for sales with a Shawnee handler in Elk and Choctaw townships, Oklahoma County, and with another Shawnee handler in other areas not proposed for inclusion in the marketing area. The operator of the largest milk distributing plant in Shawnee also operates an Oklahoma City plant. Sales in certain outside areas are at some times made from the Shawnee plant and at other times from the Oklahoma City plant, so that the producer milk used for such sales varies in accordance with the choice of a single handler of milk. On the basis of lack of evidence of competition for fluid milk sales in the area proposed for expansion the first recommended decision in these proceedings did not recommend the addition of any territory in Pottawatomie County. Upon further consideration of the producer relationships involved and the additional evidence relating thereto presented at the August 30 hearing, it is concluded that stability of marketing conditions in this area will be increased if the producers supplying Shawnee are included in one market-wide pool with those supplying the present Oklahoma City marketing area.

To include all of Pottawatomie County in the marketing area as proposed, would include under regulation several handlers whose principal markets are in other areas. Handlers supplying Shawnee appear to supply substantially

all the milk in the seven townships that comprise the northern part of the county. Their sales are less substantial in the five townships in the southern part of the county and handlers from other areas have for a long time maintained distribution there. It is concluded that only the seven northern townships surrounding the city of Shawnee should be included in the area. Elk township and the four sections of land in Choctaw township, Oklahoma County, should also be added. All milk sold in that area is by Oklahoma City handlers and by a Shawnee handler.

The addition of a substantial number of producers through expansion of the marketing area after the beginning of the base-forming period (September 1 through December 31) established in the order raises the question as to how the bases to be applicable in 1952 for such producers should be established. The record indicates complete agreement of producers and handlers that the deliveries of such producers during the regularly established period should determine their bases, and the willingness of handlers who will become subject to the order to report the necessary data for periods before the effective date of any amendment expanding the area. Such treatment will result in complete equity between producers supplying the present marketing area and those added by the proposed addition to the area. Accordingly provision is made that the 1952 bases of producers whose milk will be priced as a result of the expansion of the marketing area shall be computed by securing reports from handlers affected by the amendment for such producers' deliveries from September 1 to the effective date of such amendment.

2. The price for Class II milk should be the butter-powder formula price of the order, less 15 cents per hundredweight for the months of April through July only, but should not be less than the average paying prices of the four manufacturing plants now used to determine Class II prices.

Since the effective date of the Oklahoma City order (May 1950) the price for Class II milk has been determined from the average paying prices of four manufacturing plants in Oklahoma, except that since April 1951 the Class II price cannot be less than that paid for ungraded milk by the Gilt Edge Dairy, a handler under the order who operates a manufacturing plant.

For the 15 months for which data are available this Class II price has been substantially below the Class II price of the order for the nearby Tulsa market, which is based on the paying prices of four other plants in that general area. This difference has varied from 12.5 cents to 38 cents per hundredweight, averaging 20.2 cents. For the same period the Oklahoma City Class II price has averaged 31 cents less than the butter-powder formula price of the order, which is based on values (on the national market) of manufactured dairy products included in Class II milk.

That the present Class II price does not represent the true value of milk for manufacturing purposes in the area is evidenced by the fact that during the

period March through June 1951 a cooperative association of producers diverted 1,166,000 pounds of milk to manufacturing plants for a weighted average increase of 20 cents per hundredweight over the Class II price. All of this milk was diverted to plants whose paying prices for ungraded milk are used in determining the Class II price.

An analysis of the products made from Class II milk during the first year of the order shows that more than 60 percent of the product pounds of Class II milk was used in the manufacture of cottage cheese and ice cream, and that more than 70 percent of the butterfat in Class II milk was used in these products. Handlers indicate that they consider cottage cheese and ice cream to be Class II products from which they realize a relatively high value. About 14 percent of the butterfat was used in the manufacture of butter and about 24 percent of the skim milk was manufactured into dry milk solids.

Manufacturing milk produced in the area is not sufficient to supply the needs for Class II products at all seasons of the year. Milk that is not approved for fluid use is produced largely on farms on which dairying is not a year round enterprise. As a consequence there is considerably greater seasonal variation in production of milk for manufacturing use than in the production of milk approved for fluid usage. During the periods of flush production cream and concentrated milk solids are marketed for ice cream manufacture in Texas, Louisiana, and New Mexico, while it is frequently necessary to import these ingredients during the short production season.

Producers proposed that the Class II price be the butter-powder formula price. This appears to be a reasonable basis for determining the value of Class II milk during the periods of relatively short supply. However, during the months of April through July when supplies of manufacturing milk in the area are more abundant a seasonal reduction of 15 cents per hundredweight from this price should apply as an assurance that all approved milk not needed for fluid use will continue to be handled. The Class II price in no event should be less than the average paying price of the four local manufacturing plants.

3. The order need not be amended at this time to further restrict the milk to be included in the computation of the uniform price to producers.

It was proposed by a producers' association that the receipts at any approved plant located outside the marketing area should be "pooled" (included in the computation of the uniform price) only if such plant disposes of at least 20 percent of its receipts of milk from producers as Class I milk in the marketing area on wholesale and retail routes. At present all receipts from approved producers at any approved plant from which any specified Class I products are disposed of on routes in the marketing area are pooled.

It appears that to a certain extent the proposal was associated with the proposed expansion of the marketing area. In the area originally proposed, route

distribution is made by some plants whose primary distribution is elsewhere. In the area herein decided, however, the record indicates that all milk is now distributed from plants located in the area.

Testimony indicated fears that outside plants with considerable surplus milk might sporadically make token route sales in the marketing area which would reduce the uniform prices paid producers who regularly supply the market, but failed to establish the location or identity of any such plants. The base-excess plan of the order will protect the returns of producers regularly supplying the market from the effects of such sporadic token sales by plants entering the market in the spring months of flush production. The revision in Class II prices decided herein will make it less attractive for any outside plant to become subject to the order as a means of pooling surplus milk. It is concluded that under these circumstances additional safeguards need not be included in the order at this time.

4. Yogurt and concentrated milk should be specifically named as products to be included in Class I milk.

Yogurt is a form of buttermilk and as such should be classified as Class I milk with other buttermilks. Some sales of this product in the Oklahoma City market have been so classified without objection. It is considered advisable to name the product specifically as one to be classified as Class I milk in order that any future question of interpretation may be avoided.

Fresh concentrated milk for fluid consumption is a product that has appeared in several milk markets in recent months. While it has not yet been sold in the Oklahoma City market, provision for its classification is desirable at this time. The product is promoted as a direct and acceptable substitute for fresh whole milk, indistinguishable from regular fluid milk when water is added. Concentrated milk, including concentrated milk drinks, should therefore be classified as Class I milk.

5. No substantive change should be made at this time in the computation of the daily average base for each producer but the language of the order should be changed to avoid the possibility that a producer's base may be enhanced through irregular deliveries.

Under the order payments to producers for the months of April, May and June of each year are made on a "base-excess" plan for which a daily average base is computed for each producer by dividing the total pounds of milk received from him during the months of September through December immediately preceding by the number of days, not to be less than 90, on which he delivered milk in that period. In this way new producers may enter the market any time until about October 1 and have a daily average base equal to the average of their deliveries from that date through December 31.

It was proposed that the daily average base should be determined by dividing the pounds of milk received from the producer in the four "base-setting" months by 122, the total number of days in this

period. The effect of this proposal would be to provide a lower base for any producer who failed to deliver during any portion of the "base-setting" period. In support of this proposal it was argued that producers who failed to supply milk throughout all of this period when supplies are normally shortest should not have bases computed the same as though they had done so. It was also pointed out that the base of an old producer who delivered his entire production, but not on a daily basis, might be unduly increased.

The present provisions for establishing daily average bases will be used for the first time with respect to deliveries during the coming base-setting months of 1951, as they were adopted by an amendment effective April 1, 1951. Since there has been no experience upon which to judge their effect it is not considered advisable that a substantive change be made at this time. The language of the order should, however, be clarified to prevent the possibility that a producer's base will be enhanced by irregular deliveries.

6. The deductions from payments to producers to be listed on the payroll reports made by handlers should be those properly authorized.

The order currently requires that handlers, in reporting their producer payrolls as evidence of payment of uniform prices, show the nature and amount of any deductions or charges involved in such payments. It was proposed that these be authorized deductions or charges so that the handler would be required by the order to have proper authorization from producers for any deductions reported. Changes in hauling rates from farms to plants have been the principal cause of controversy relative to the deductions reported. Handlers did not oppose the proposal. It is concluded that this change will facilitate administration of the order and should be adopted.

7. The order should not be amended at this time to require a handler who receives less producer milk than his Class I sales to make payments into the pool unless he can prove that no producer milk was available for such sales.

A proposal was introduced at the hearing to require that a handler make payments to the pool with respect to other source milk allocated to Class I milk unless he can prove to the satisfaction of the market administrator that such milk was used only to the extent that producer milk was not available.

An identical proposal was considered at the hearing held in December 1950. In the decision on the issues of that hearing it was concluded that the proposal should not be adopted without further indication of need for it and a record indicating definite standards for its administration. This record fails to show any basis for altering the conclusion of the former decision.

8. The allocation provisions of the order should not be amended to provide pro rata allocation of approved supplies of other source milk during temporary periods of short supply to be determined by the market administrator.

A proposal introduced at the hearing was to the effect that "emergency milk"

should be allocated pro rata to a handler's total usage. Testimony concerning the proposal indicated that its intent was that "emergency milk" should be approved supplies imported from outside sources during temporary periods of short supply to be determined by the market administrator. The evidence concerning need for the proposal was principally devoted to an instance in which interhandler transfers were made from a plant receiving other source milk. The record fails to indicate the standards under which the market administrator should determine the periods when the provisions would apply. The present provisions of the order merely give producer milk priority for Class I sales to the extent that it is received. It is concluded that the proposal should not be adopted on the basis of this record.

Rulings on exceptions. In arriving at the findings and conclusions included in this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions herein are at variance with the exceptions, such exceptions are overruled.

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the said marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed marketing agreement and the order, as amended and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said marketing agreement upon which a hearing has been held.

Determination of representative period. The month of July 1951 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order amending the order, as amended, regulating the handling of milk in the Oklahoma City, Oklahoma, marketing area in the manner set forth in the attached amending order is approved or favored by producers who during such period were engaged in the production of milk for sale in the marketing area specified in such marketing order, as amended.

Annexed hereto and made a part hereof are two documents entitled respec-

tively "Marketing Agreement Regulating the Handling of Milk in the Oklahoma City, Oklahoma, Marketing Area," and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Oklahoma City, Oklahoma, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered that all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as amended, and as hereby proposed to be further amended by the attached order which will be published with this decision.

This decision filed at Washington, D. C., this 11th day of October 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

Order¹ Amending the Order, as Amended, Regulating the Handling of Milk in the Oklahoma City, Oklahoma, Marketing Area

§ 905.0 **Findings and determinations.** The findings and determinations herein-after set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) **Findings upon the basis of the hearing record.** Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Oklahoma City, Oklahoma, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supplies of and demand for milk in the marketing area, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered that on and after the effective date hereof the handling of milk in the Oklahoma City, Oklahoma marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete § 905.6 and substitute therefor the following:

§ 905.6 **Oklahoma City, Oklahoma, marketing area.** "Oklahoma City, Oklahoma, marketing area", hereinafter called the marketing area means all territory within the boundaries of Oklahoma County, except Deer Creek, Deep Fork, and Luther townships, within the townships of Moore, Taylor, Case, Liberty, Norman and Noble in Cleveland County, and within the townships of Dale, Davis, Dent, Bock, Brinton, Forest and Earlsboro in Pottawatomie County, all in the State of Oklahoma.

2. Delete § 905.31 (c) and substitute therefor the following:

(c) The nature and amount of any authorized deductions or charges involved in such payments.

3. Delete § 905.41 (a) and substitute therefor the following:

(a) Class I milk shall be all skim milk (including reconstituted skim milk) and butterfat (1) disposed of in the form of milk, skim milk, buttermilk, flavored milk, flavored milk drinks, yogurt, cream, cultured sour cream, aerated products containing milk or cream, any mixture (except bulk ice cream mix) of cream and milk or skim milk, (2) used to produce concentrated (including frozen) milk, flavored milk or flavored milk drinks disposed of for fluid consumption neither sterilized nor in hermetically sealed cans, and (3) all other skim milk and butter fat not specifically accounted for as Class II milk.

4. Delete § 905.51 (b) and substitute therefor the following:

(b) **Class II milk.** The higher of:
(1) The price computed pursuant to § 905.50 (b) for the current month, less 15 cents for each of the months of April, May, June and July only; or

(2) The average of the basic or field prices reported to have been paid or to be paid for ungraded milk of 4.0 percent butterfat content received during the month at the following plants or places for which prices have been reported to the market administrator or to the Department.

Present Operator and Location

Fairmont Foods Co., Guthrie, Okla.
Wilson & Co., Blackwell, Okla.
Kraft Cheese Co., Sulphur, Okla.
Hawk Dairy, Tulsa, Okla.

5. Delete § 905.65 (a) and substitute therefor the following:

(a) Divide the total pounds of milk received by a handler(s) from such producer during the months of September through December by the number of days, not to be less than ninety, during the period(s) within which such producer made deliveries of milk in such months: *Provided*, That for any such producer supplying a handler who becomes subject to this order through an amendment to § 905.6 effective subsequent to September 1, 1951, the daily average base for the months of April through June 1952 shall be so computed from the total pounds of milk received by such handler from such producer during the months of September through December 1951, and such handler shall report to the market administrator with respect to each such producer the information required in § 905.31 (a) for each month from September 1, 1951, to the effective date of such amendment.

Order of the Secretary Directing That a Referendum Be Conducted Among the Producers Supplying Milk; Determination That the Month of July 1951 Is a Representative Period; and Designation of an Agent To Conduct Such Referendum

Pursuant to section 8c (19) of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 608c (19)), it is hereby directed that a referendum be conducted among the producers (as defined in the order, as amended, regulating the handling of milk in the Oklahoma City, Oklahoma marketing area) who, during the month of July 1951, were engaged in the production of milk for sale in the marketing area specified in the aforesaid order to determine whether such producers favor the issuance of the order amending the order, as amended, which is filed simultaneously herewith.

The month of July 1951, is hereby determined to be the representative period for the conduct of such referendum.

Kenneth M. Fell is hereby designated agent of the Secretary to conduct such referendum in accordance with the procedure for conducting of referenda to determine producer approval of milk marketing orders as published in the FEDERAL REGISTER on August 10, 1950 (15 F. R. 5177), such referendum to be completed on or before the 15th day from the date this order is issued.

[F. R. Doc. 51-12397; Filed, Oct. 15, 1951; 8:59 a. m.]

[7 CFR Part 907]

[Docket No. AO-212-A3]

HANDLING OF MILK IN THE MILWAUKEE, WIS., MARKETING AREA

DECISION WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED ORDER AMENDING THE ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was conducted at Milwaukee, Wisconsin, on May 22-24, 1951, pursuant to notice thereof duly published in the FEDERAL REGISTER (16 F. R. 4662) upon proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Milwaukee, Wisconsin, marketing area.

The evidence introduced at the hearing and the record thereof indicated the need for prompt action with respect to the issues relating to: (a) Revision of the provisions pertaining to exempt milk; (b) revision of the price differentials (over the basic formula price) for Class I milk and Class II milk; and (c) the emergency character of marketing conditions and the need for immediate change in the order provisions.

Accordingly, a final decision with respect to these issues was published in the FEDERAL REGISTER June 23, 1951 (16 F. R. 5997) and an order issued June 27, 1951 (16 F. R. 6339) effective July 1, 1951. Concerning the remaining issues heard, the Deputy Assistant Administrator, Production and Marketing Administration, on August 30, 1951, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision and opportunity to file written exceptions thereto which was published in the FEDERAL REGISTER on September 6, 1951 (16 F. R. 9045; Doc. 51-10650).

Exceptions have been filed on behalf of certain handlers to some of the findings, conclusions and actions recommended by the Deputy Assistant Administrator. In arriving at the findings, conclusions and regulatory provisions of this decision, each of such exceptions was carefully and fully considered in conjunction with the record evidence pertaining thereto. Certain revisions have been made on the basis of the exceptions. To the extent that the findings, conclusions and actions decided upon herein are at variance with the exceptions, such exceptions are overruled.

The material issues, findings (including general findings), conclusions, and rulings of the recommended decision (16 F. R. 9045; Doc. 51-10650) are hereby approved and adopted as the issues, findings, conclusions, and rulings of this decision as if set forth in full herein, subject to the following modifications:

1. Add the following at the end of the second paragraph beginning in Column 2, 16 F. R. 9046; Doc. 51-10650):

The provision (§ 907.60 (b)) of the recommended decision in this connection

should be revised to permit producers who have not had "producer" status for a period of 12 months or more to re-enter the market on the terms accorded producers who enter the market for the first time. The provision as previously written, to which exception was taken, would be unnecessarily restrictive as to former Milwaukee producers who might desire to return to the market after a substantial period of absence.

2. Delete the last two sentences of the last paragraph beginning in Column 2, 16 F. R. 9046 and substitute therefor the following:

The recommended decision provided that at such time as the percentage of Class I and Class II milk combined decreases in relation to producer receipts, the alternate base is made somewhat less attractive by reducing the percentage of deliveries eligible as base milk. Exception was taken on the grounds that this provision may be unnecessary and that its operation should not be conditioned upon relationships of receipts to Class I and Class II sales for the previous April-June period. In view of the exception and since the provision would not have application until April 1953, it is concluded that opportunity for further consideration should be given. The provision therefore is not included in the attached order.

3. Add the following immediately after the first paragraph beginning in Column 3, 16 F. R. 9046; Doc. 51-10650:

It was provided in the recommended decision (§ 907.61 (a)) that a jointly-held base might be transferred to any person who maintains a dairy herd on the farm where the base was made. However, since the establishment of base, and consequently the individual producer's share in the total proceeds from the disposition of milk by the handler to whom he delivers, is predicated upon such producer's ability to deliver in accordance with the relatively even demand for milk in each month of the year, the transfer or sale of base as a commodity should not be permitted to either a single holder or joint holders except under limited circumstances. It is provided, therefore, that a jointly-held base may be transferred only to (a) the remaining holders, or (b) in case of the producer's death, retirement, or entry into military service, another person who is a member of the immediate family and who continues to supply milk from the same farm.

It had been provided also (§ 907.61 (c)) that when a producer having no base combines herds with a producer having a base, the milk of the combined herd would be considered as non-base milk until a new base to be in effect in the next April-June period could be established with respect to milk from the combined herd. This provision appears to be too restrictive in view of the fact that any producer entering the market for the first time may elect to have a base computed for the first April-June period he is in the market. It is concluded that producers who combine herds should

PROPOSED RULE MAKING

have the same privilege of election concerning base as new producers.

In extreme situations it is mathematically possible for the base milk price to be less than the price for excess milk. This result would not be conducive to the successful operation of the base plan. Therefore, it should be provided that whenever the computed price for base milk for any handler is not higher than the price for excess milk, the producers delivering to such handler will be paid a weighted average price for all their milk.

4. Add the following immediately after the first paragraph beginning in Column 3, 16 F. R. 9047; Doc. 51-10650:

The provision relating to administrative assessments should be revised further to prevent possible duplication of assessments with respect to other source milk subject to pricing under an order issued pursuant to the act for another fluid milk marketing area. An assessment for administrative cost would be applicable to milk under the regulation in effect in the other market. In the absence of specific need, it would not be appropriate to assess such milk a second time when it arrives as other source milk at the Milwaukee handler's plant.

Determination of representative period. The month of June 1951 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of an order amending the order, as amended, regulating the handling of milk in the Milwaukee, Wisconsin, marketing area in the manner set forth in the attached order is approved or favored by producers who during such period were engaged in the production of milk for sale in the marketing area specified in such marketing order.

Marketing agreement and order. Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Milwaukee, Wisconsin, Marketing Area," and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Milwaukee, Wisconsin, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered. That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the attached order which is published with this decision.

This decision filed at Washington, D. C., this 11th day of October 1951.

[SEAL]

CHARLES F. BRANNAN,
Secretary of Agriculture.

Order¹ Amending the Order, as Amended, Regulating the Handling of Milk in the Milwaukee, Wisconsin, Marketing Area

§ 907.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of each of the previously issued amendments thereto; and all said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Milwaukee, Wisconsin, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

ORDER RELATIVE TO HANDLING

It is therefore ordered. That on and after the effective date hereof the handling of milk in the Milwaukee, Wisconsin, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

1. Delete §§ 907.7 through 907.10, inclusive, and substitute therefor the following:

§ 907.7 *Route.* "Route" means any delivery (other than to any milk processing or distributing plant) of Class I milk to a wholesale or retail stop(s) (including a sale from a plant store), or to a person(s) disposing of such milk to or at wholesale or retail stop(s), or to a governmental institution, but not including a sale on premises located outside the marketing area to retail customers for consumption in the marketing area.

§ 907.8 *Fluid milk plant.* "Fluid milk plant" means any milk plant in which Class I milk is pasteurized or packaged for distribution on a route in the marketing area.

§ 907.9 *Receiving station.* "Receiving station" means any milk plant in which milk is received from dairy farms and prepared for transfer to a fluid milk plant and is operated by (a) a person who also operates a fluid milk plant, or (b) a person who transfers milk to a fluid milk plant at which no milk is received from dairy farms.

§ 907.10 *Producer.* "Producer" means any person who produces milk which is received from the farm where produced at either a fluid milk plant or receiving station: *Provided*, That this definition shall not include any such person whose milk is not eligible for disposition as Class I milk by the purchasing handler under the health requirements applicable to the dairy farm supply of milk for any community in the marketing area in which such handler operates a route. This definition shall include (a) any person who is regularly classified as a producer but whose milk is caused to be diverted to a nonfluid milk plant by a handler, and milk so diverted shall be deemed to have been received by the handler at the fluid milk plant or receiving station from which it was diverted, and (b) any producer-handler to the extent of, and with respect to, bulk milk produced by him, and delivered to a fluid milk plant or receiving station.

2. Delete § 907.12 and substitute therefor the following:

§ 907.12 *Handler.* "Handler" means any person, including any cooperative association, in his capacity as the operator of a fluid milk plant or receiving station, but this definition shall not be deemed to include any governmental institution which has no disposition of Class I milk for use off its own premises.

3. Delete § 907.17 and substitute therefor the following:

§ 907.17 *Base milk.* "Base milk" means producer milk received by a handler during any of the months of April, May and June, which is not in excess of such producer's base multiplied by the number of days of delivery during such month.

4. Delete § 907.18 and substitute therefor the following:

§ 907.18 *Excess milk.* "Excess milk" means producer milk received by a handler in any of the months of April, May and June in excess of base milk received from such producer during such month.

5. Add the following as § 907.19:

§ 907.19 *Non-base milk.* "Non-base milk" means milk received by a handler from any producer during any of the months of April, May and June for whom no base is applicable in accordance with the requirements of § 907.60.

6. Add the following as § 907.22 (1) (3):

(3) On or before the 12th day of each month the uniform prices computed pursuant to §§ 907.71, 907.72 and 907.73 for the preceding month.

(7) Add the following as § 907.30 (b):

(b) The aggregate quantities of base milk and excess milk.

8. Add the following as § 907.31 (a):

(a) The total pounds of milk received from each producer, including for the months of April through June such producer's deliveries of base milk and excess milk.

9. Delete § 907.41 (a) (1) and substitute therefor the following:

(1) All milk disposed of in fluid form as milk, skim milk, buttermilk, flavored milk or flavored milk drink and as concentrated (including frozen) milk, concentrated flavored milk or concentrated flavored milk drinks not sterilized, except any such item disposed of in bulk to bakeries, soup companies, candy manufacturing establishments or other food processors in their capacity as such, and

10. Delete § 907.47 (d) and substitute therefor the following:

(d) In the event the total (computed) pounds of milk remaining in the several classes are different from the pounds of milk received from producers (including the handler's own farm production) plus the 3.5 percent milk equivalent of butterfat overrun, reconciliation of the difference shall be effected by deducting from, or adding to, as the case may be, (1) Class IV milk, such proportionate amount of the difference as the pounds of butterfat in Class IV are to the pounds of butterfat in all classes, and (2) Class III milk, the remaining pounds of milk to be reconciled, in such sequence; and the handler shall receive debit or credit with respect to such amounts at the announced prices of such classes, respectively, for the month.

11. Delete § 907.60 and substitute therefor the following:

§ 907.60 *Computation of base for each producer.* Except as set forth in paragraphs (b) and (c) of this section, for each of the months of April through June of each year, the market administrator shall compute a base for each producer (including any producer who also is a handler) as follows, subject to the rules set forth in § 907.61:

(a) Divide the total pounds of milk received by a handler(s) from each producer during the months of September through December immediately preceding by the number of days, not to be less than seventy-five, of such producer's delivery in such period, and increase the resulting amount by the following applicable percentage: (1) For April through June of 1952, forty percent (40%), (2) for April through June of 1953, thirty percent (30%), and (3) for each April through June thereafter, twenty percent (20%): *Provided*, That any producer for whom a base has been allotted shall have the option upon notice in writing to the market administrator given before the end of April in any year, to relinquish his base for such year and to be allotted a base equal to 80 percent of his deliveries during the month involved.

(b) Any producer who (1) was not a producer between November 1, 1950, and June 30, 1951, inclusive, or (2) re-enters the market as a producer following twelve or more consecutive months without producer status, shall have his milk deliveries considered as non-base milk for the first April-June period following his qualification (or re-qualification in the case of subparagraph (2) herein) as a producer; or upon notifying the market administrator prior to April 1 next following such qualification (or re-qualification) as a producer, he may elect to have a base computed in the manner provided in paragraph (a) of this section with respect to his deliveries of milk to any fluid milk plant, receiving station, or non-fluid plant, such deliveries to be subject to verification by the market administrator: *Provided*, That this paragraph shall not be construed to conflict with § 907.61 (a) or (b).

(c) Any producer for whom a base cannot be computed pursuant to paragraph (a) and to whom paragraph (b) does not apply shall be allotted a base for the next following April, May and June in the same manner provided for producers who relinquish their bases pursuant to the proviso in paragraph (a) of this section.

12. Delete § 907.61 and substitute therefor the following:

§ 907.61 *Base rules.* The following rules shall apply in connection with the establishment of bases:

(a) A base may be held jointly, or two or more bases may be combined to be held jointly, by two or more producers with respect to milk produced on a single farm according to their mutual agreement if specified in writing to the market administrator, and any such holder may transfer his interest in such jointly-held base to either (1) the remaining holder(s), or (2) another person under the conditions set forth in paragraph (b) of this section.

(b) Upon the death, retirement, or entry into military service of a producer, the base may be transferred to a member(s) of the immediate family who continues to supply producer milk from the same farm.

(c) In the event a producer having no base combines herds with a producer

having a base, the base in effect shall be relinquished and in such case the milk of the combined herd delivered from the same farm shall be regarded as non-base milk until a new base is established pursuant to § 907.60 (a) for the next full April-June period; or upon notifying the market administrator prior to April 1 of any year, such producers may elect to have a joint base for April, May and June of such year computed in the manner provided in § 907.60 (a) with respect to their deliveries of milk to any fluid milk plant, receiving station, or non-fluid milk plant, such deliveries to be subject to verification by the market administrator.

(d) If a producer operates more than one farm, he may establish a separate base with respect to producer milk delivered from each such farm: *Provided*, That if a base has been established with respect to producer milk produced on any farm, no milk shall be delivered from such farm as non-base milk.

(e) The market administrator on or before March 1 shall notify each handler of the base of each of the producers delivering to his plant(s) as computed pursuant to § 907.60, and on or before March 15 shall notify each producer of his base or provide for notice thereof to such producer by the handler or cooperative association of which such producer is a member.

13. Delete § 907.70 and substitute therefor the following:

§ 907.70 *Computation of milk value for each handler.* On or before the 12th day of each month, the market administrator shall examine for mathematical correctness and obvious errors the report of receipts and utilization submitted by each handler for the preceding month and shall make such corrections as such examination shall indicate to be appropriate. From such corrected reports and from records of audit and other adjustments, he shall compute the value of all producer milk received by such handler (including such handlers' own farm production) to be used for computing the uniform prices as follows:

(a) Multiply the total hundredweight of such milk in each class by the applicable class price and add together the resulting amounts;

(b) Add or deduct, as the case may be, the amount of money involved in adjustments resulting from verification by the market administrator of the handler's reports for previous months;

(c) Add or deduct, as the case may be, the amount of money involved in adjusting the handler's preceding month's uniform price(s) to the nearest cent; the result shall be the net value of milk from producers to be used in computing the uniform prices of milk to be paid producers.

14. Delete § 907.71 and substitute therefor the following:

§ 907.71 *Computation of uniform price for each handler.* The market administrator shall compute for each handler a uniform price per hundredweight of producer milk for each month in the following manner:

Divide the value computed pursuant to § 907.70 (c) by the hundredweight of producer milk received by such handler and adjust to the nearest cent. This result shall be known as the uniform price for such handler of milk of 3.5 percent butterfat content received at his fluid milk plant(s) or receiving station(s).

15. Insert the following section after § 907.71:

§ 907.72 *Excess milk price.* For each of the months of April, May and June the uniform price per hundredweight of excess milk shall be the Class III price computed pursuant to § 907.51 (c) for the respective month, adjusted to the nearest full cent.

16. Insert the following section after § 907.72:

§ 907.73 *Computation of the base milk price.* The market administrator shall compute for each handler the price to be paid per hundredweight of base milk for each of the months of April through June as follows:

(a) Multiply the total pounds of non-base milk for each handler by the uniform price computed for each such handler, pursuant to § 907.71.

(b) Multiply the total pounds of excess milk for each handler by the applicable excess milk price, pursuant to § 907.72.

(c) Subtract the amounts arrived at in paragraphs (a) and (b) of this section from the net value of producer milk computed pursuant to § 907.70 (c).

(d) Divide the resultant value by the total hundredweight of base milk and adjust to the nearest cent. This result shall be known as the uniform price per hundredweight for base milk of 3.5 percent butterfat content received at a handler's fluid milk plant(s) and receiving station(s).

17. Delete § 907.80 and substitute therefor the following:

§ 907.80 *Time and method of payment for producer milk.* (a) On or before the 15th day after the end of each of the months of July through March, each handler shall make payment to each producer for all milk received from such producer during such month at not less than the uniform price per hundredweight computed for such handler (§ 907.71), subject to the butterfat differential provided by § 907.81 and to the deduction specified in § 907.83: *Provided*, That if a cooperative association of which such producer is a member is authorized to receive payment for such producer and requests receipt of such payment, payment shall be made to such cooperative association on or before the 13th day after the end of such month: *And provided also*, That the provisions of this paragraph shall not be construed to restrict any cooperative association qualified under section 8c (5) (F) of the act from making payment for milk to its producers in accordance with such provision of the act;

(b) On or before the 15th day after the end of each of the months of April through June, each handler shall make payment to each producer for milk re-

ceived from such producer during such month as follows, subject to the butterfat differential provided by § 907.81, the deduction specified in § 907.83, and both provisos of paragraph (a) of this section:

(1) For non-base milk, at not less than the uniform price per hundredweight computed pursuant to § 907.71.

(2) For excess milk, at not less than the uniform price for excess milk computed pursuant to § 907.72.

(3) For base milk, at not less than the uniform price for base milk pursuant to § 907.73: *Provided*, That if such uniform price for base milk is not higher than the price for excess milk pursuant to § 907.72, such handler, in lieu of making payment pursuant to this subparagraph and subparagraph (2) of this paragraph, shall make payment for all producer milk received during such month in the manner provided for non-base milk pursuant to subparagraph (1) of this paragraph.

(c) On or before the 15th day after the end of each month, each handler shall pay to each cooperative association which is a handler, for receipts of milk or milk products subject to classification pursuant to §§ 907.40 and 907.41, an amount of money representing not less than the total value of such milk or milk products computed by multiplying the pounds in each class by the applicable class price per hundredweight subject to a butterfat differential computed as in § 907.81.

18. Amend § 907.82 to read as follows:

§ 907.82 *Expense of administration.* As his pro rata share of the expense incurred pursuant to § 907.22, each handler shall pay to the market administrator, on or before the 15th day after the end of each month, 3 cents per hundredweight, or such amount not exceeding 3 cents per hundredweight as the Secretary from time to time may prescribe, with respect to all (a) producer milk (including such handler's own production) received during such month, and (b) other source milk classified as Class I milk or Class II milk during such month on a 3.5 percent milk equivalent basis: *Provided*, That any other source milk derived from milk subject to an assessment for expense of administration under a marketing agreement or order issued pursuant to the act for another fluid milk marketing area shall not be subject to assessment pursuant to this section.

19. Amend § 907.90 to read as follows:

§ 907.90 *Producer-handlers.* Sections 907.40 to 907.47, 907.50 to 907.51, 907.60 to 907.61, 907.70 to 907.73, and 907.80 to 907.85, inclusive, shall not apply to a producer-handler, except as provided in § 907.10.

Order of the Secretary Directing That a Referendum Be Conducted Among the Producers Supplying Milk in the Milwaukee, Wisconsin, Marketing Area, and Designation of an Agent To Conduct Such Referendum

Pursuant to section 8c (19) of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 608c

(19)), it is hereby directed that a referendum be conducted among the producers (as defined in the order, as amended, regulating the handling of milk in the Milwaukee, Wisconsin, marketing area) who, during the month of June 1951 were engaged in the production of milk for sale in the marketing area specified in the aforesaid order to determine whether such producers favor the issuance of the order which is a part of the decision of the Secretary of Agriculture filed simultaneously herewith.

H. H. Erdmann is hereby designated agent of the Secretary to conduct such referendum in accordance with the procedure for the conduct of referenda to determine producer approval of milk marketing orders as published in the FEDERAL REGISTER on August 10, 1950 (15 F. R. 5177).

[F. R. Doc. 51-12396; Filed, Oct. 15, 1951; 8:59 a. m.]

17 CFR Part 978 I

[Docket No. AO-164-A8]

HANDLING OF MILK IN THE NASHVILLE, TENN., MARKETING AREA

NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENTS TO THE TENTATIVE MARKETING AGREEMENT, AND TO THE ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Nashville, Tennessee, marketing area. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D. C., not later than the close of business the 10th day after publication of this decision in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

Preliminary statement. The hearing, on the record of which the proposed amendments, hereinafter set forth, to the tentative marketing agreement and to the order, as amended, were formulated, was conducted at Nashville, Tennessee, on August 23-24, 1951, pursuant to notice thereof which was issued August 7, 1951 (16 F. R. 7877).

The material issues of record are concerned with a revision of the payment provisions of the order to (1) incorporate a base-rating plan and (2) provide that handlers pay the market administrator the utilization value of milk received from producers and the market administrator in turn pay individual producers

or cooperative associations of producers for such milk.

Findings and conclusions. The following findings and conclusions are based upon the evidence introduced at the hearing and the record thereof:

(1) A "base and excess" plan for distributing the market returns from milk among producers should be employed in conjunction with the market-wide pooling arrangement now provided in the order.

There is considerable seasonal variation in the receipts of milk for the Nashville market. Receipts in the spring and summer months are relatively high in relation to receipts in the fall and winter months. The disposition of fluid milk and other products required to be made from approved milk is more nearly uniform throughout the year, although sales of these products are usually greatest at the same season of the year when receipts from producers are at relatively low levels. During the past two years receipts of milk from producers during November and December were not sufficient to meet the requirements for fluid products while during May and June average receipts exceeded fluid disposition by more than 40 percent. Fall shortages and spring excesses result from the present milk production pattern. A production pattern more nearly fitted to the pattern of fluid sales should be encouraged.

A fall incentive plan was incorporated in Order 78 during late 1948 to distribute returns among producers in relation to their production pattern. Under this plan, 45 cents per hundredweight has been set aside from the market returns for milk during the "flush" production months of April, May, and June. One-third of this amount is distributed to all producers on the basis of deliveries during each of the months of October through December. Producers who have been dissatisfied with this plan, object chiefly because new producers who enter the market after June of any year participate in the distribution of the fall incentive payments.

Producers testified that a "base and excess" plan providing returns to each producer during the spring and summer months which are related directly to his milk deliveries during the fall and winter seasons will offer greater incentive for more level production and be more acceptable to producers than the present payment plan. The proposed plan places greater emphasis upon the relationship of the production of the individual producer to the market needs for milk than any plan which influences production in terms of a market average price.

The plan proposed by producers would establish for each producer a "base" quantity of milk equal to his average daily deliveries of milk during the six-month period of September through February (total deliveries divided by the number of days in this period). During these months all producers would be paid the "pool" or "uniform" price for all deliveries. For each of the months of March through August, separate "uniform prices" for "base milk" (that delivered by each producer up to his

average daily base quantity multiplied by the number of days in the month) and for "excess milk" would be computed so that Class I sales would be first allocated to "base milk." Handlers proposed that October through February be used as the base forming period and that bases should be applied during March through June. Handlers also proposed that provisions be incorporated for determining bases on a somewhat shorter period for new producers who may not deliver milk during the entire base forming period or who may enter the market during certain other months.

The months proposed by producers for establishing bases (September through February) are normally those of relatively low production in relation to fluid sales and should be used for this purpose. A six-month base forming period, as compared with a five-month period, was supported by producers because the longer base period tends to minimize differences among bases of individual producers which may result from unusual circumstances.

Producers who enter the market during the fall and winter months when additional milk is usually needed should be permitted to establish a base on deliveries made during a portion of the base forming period. This may be accomplished by determining a base for a new producer on the basis of the number of days in the base forming period he delivers milk but in any event not less than 120 days. The plan proposed herein will also permit new producers entering the market when payments are made on the base plan to share with all other producers any Class I sales in excess of total deliveries of base milk. Thus, in these months, a new producer without a base will immediately share in some Class I sales if his milk is needed in the market. These provisions coupled with a provision for the establishment of a new base by each producer each year will provide ample opportunity for new producers to enter the market and replace producers who may discontinue production and assist in meeting any need for an increased supply of producer milk. Payments on the base plan should be made during the months of March through August (\$ 978.72). During these months receipts of milk from producers are in excess of the requirements for fluid uses. Under present conditions, the exclusion of any of these months from the base effective period would result in lower returns to producers who deliver a relatively uniform quantity of milk throughout the year. Producers proposed that each handler compute, subject to verification by the market administrator, and notify each producer of his daily base as soon as practical following the close of the base forming period. The market administrator now maintains records of each producer's monthly deliveries of milk and it would be more economical for him to announce bases than to verify handlers' computations. It is concluded that the market administrator should announce bases for individual producers on or before the 25th day of March of each year.

The base and excess plan has been widely discussed among producers in the

Nashville area. Country meetings have been held among producer members of the cooperative association. In July 1951, the association also sent a letter to all producers in the market (members and non-members) stating that the association was petitioning for a hearing and setting forth the principal provisions of the proposed plan. The testimony indicates that handlers' fieldmen have discussed these proposals with dairy farmers who are in the process of qualifying for the Grade A market. New producers may enter the market as late as November 1, 1951, and receive full base credit for total deliveries of milk during the remainder of the base forming period. The purpose of the present fall incentive plan, which is to continue through December 1951, is to distribute returns for milk in accord with patterns of production related to the need of the market. This is consistent with the individual producers' interest in the transition from the fall incentive to the proposed base and excess payment plan March 1, 1952.

It is necessary to provide certain rules in connection with the establishment and transfer of bases to provide reasonable administrative workability of the plan. To accomplish this purpose and to preserve the effectiveness of the base plan, transfers of bases should be limited to entire bases of producers who may retire from farming and in cases of death and of joint production arrangements, such as landlord-tenant relationships. Since the base plan is effective in determining producer payments in only six of the twelve months of each year, and all producers must establish a new base each year, provisions in addition to those contained herein for the establishment and transfer of bases are not needed.

In order to incorporate the base plan in the order, additional sections are needed to define base and excess milk and to provide for the announcement of established bases by the market administrator. Several conforming changes also are necessary in the order provisions relative to reports by handlers, the computation and announcement of uniform prices and payments of producers. Conforming changes have been made in other sections of the attached amended order.

(2) The payment provisions of the order should be changed to provide that the market administrator collect from handlers the utilization value of milk received from producers and make payments to individual producers or cooperative associations of producers for milk delivered by them.

Under the present pooling and payment arrangement handlers pay individual producers the market wide uniform price for milk delivered. Any differences between the amount paid producers delivering to a particular handler and the utilization value of such milk is equalized by payments into or withdraws by handlers from a producer-settlement fund maintained by the market administrator. Handlers proposed that they pay the market administrator the utilization value of milk received and he in turn make payments to the cooperative association for milk delivered by

PROPOSED RULE MAKING

its members and to individual producers not members of the association.

The adoption of the proposed base-excess plan will tend to increase the work involved in computing the amount owed and in making payments to individual producers. It is likely that economies may be attained by simplifying and centralizing the payment procedure in the market administrator's office. The issuance of checks to producers by the market administrator would not involve much more time than is now being spent in verifying the producer payroll, cancelled checks and other items. The necessity for equalization of payments of handlers through the producer-settlement fund would be eliminated.

Handlers proposed that the cooperative association be required to pay producer members or contribute sufficient funds to the market administrator to offset the costs of writing checks to association members. Although the association did not oppose the proposal for the market administrator to pay individual producers, it did object to the provision requiring the association to pay the market administrator for issuing checks to its members. The testimony indicates that the cost of writing checks by handlers is considered as one of the usual costs of doing business. It is reasonable therefore that if the market administrator is to assume the payment operation that the expense involved should be met by funds derived from the administrative assessment charged handlers under the order. The testimony indicates that the association may decide to make payment to its members in the near future. Thus, the payment provisions should provide for the market administrator to pay the association for the milk delivered by its members upon request by the association.

The present order provides that partial payments will be made to producers for milk delivered during the first 15 days of a delivery period at 75 percent of the uniform price per hundredweight for the preceding delivery period. The testimony shows that with adoption of a base and excess plan, advance payments should be made at the Class II price for the preceding delivery period.

Handlers at times advance additional funds to producers upon request. In several instances handlers pay truckers for hauling milk and furnish supplies and other items, the cost of which is authorized by the producer to be deducted from the amount due for milk delivered. Therefore, provision should be made in the order for the deduction from regular monthly payments of handlers to the market administrator and from the payments of the market administrator to producers of partial and advance payments, and other deductions authorized by the producer.

In order to incorporate the proposed changes and to conform with the Revised Regulations of the Division of the Federal Register issued October 12, 1948, the entire order should be redrafted and reissued. In view of the fact that some time will be needed by the market administrator to obtain the facilities and

develop the detailed procedure for paying producers, the proposed changes in the payment provisions of the order should not become effective prior to March 1, 1952. The present fall incentive plan is to be continued through December 1951 and other amendments recommended above will not alter the application or effect of the present order provisions prior to March 1952. Therefore, to eliminate the necessity for including numerous provisos (to be applicable only until March) in the redrafted order, the proposed provisions, with the exception of §§ 978.15, 978.16, 978.60, 978.61 and 978.62, should not become effective prior to March 1, 1952.

(3) *General.* (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, regulates the handling of milk in the same manner and is applicable only to persons in the respective classes of industrial and commercial activity specified in the marketing agreement upon which a hearing has been held; and

(c) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest.

Rulings on proposed findings and conclusions. Briefs were filed on behalf of producers and handlers in the Nashville market. The briefs contained suggested findings of fact, conclusions, and arguments with respect to the proposals considered at the hearing. Every point covered in the briefs was carefully examined along with the evidence in the record in making the findings and reaching the conclusions hereinbefore set forth. To the extent that the suggested findings and conclusions contained in the briefs are inconsistent with the findings and conclusions contained herein, the request to make such findings or to reach such conclusions are denied on the basis of the facts found and stated in connection with the findings and conclusions in this recommended decision.

Recommended marketing agreement and order, as amended. The following order, as amended and reissued, is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The entire order is being rewritten and reissued to conform with Revised Regulations of the Division of Federal Register issued October 12, 1948. A proposed marketing agreement is not included in this decision because the regulatory provisions thereof would be identical with those contained in the recommended order.

Sec.	
978.0	Findings and determinations.
	DEFINITIONS
978.1	Act.
978.2	Secretary.
978.3	Department of Agriculture.
978.4	Person.
978.5	Nashville, Tennessee Marketing Area.
978.6	Cooperative Association.
978.7	Producer-handler.
978.8	Delivery period.
978.9	Fluid milk plant.
978.10	Producer.
978.11	Handler.
978.12	Non-fluid milk plant.
978.13	Other source milk.
978.14	Producer milk.
978.15	Base milk.
978.16	Excess milk.
	MARKET ADMINISTRATOR
978.20	Designation.
978.21	Powers.
978.22	Duties.
	REPORTS, RECORDS AND FACILITIES
978.30	Reports of receipts and utilization.
978.31	Other reports.
978.32	Reports to cooperative associations.
978.33	Records and facilities.
978.34	Retention of records.
	CLASSIFICATION OF MILK
978.40	Basis of classification.
978.41	Classes of utilization.
978.42	Responsibility of handlers and reclassification of milk.
978.43	Transfers.
978.44	Computation of skim milk and butterfat in each class.
978.45	Allocation of skim milk and butterfat classified.
	MINIMUM PRICES
978.50	Basic formula price.
978.51	Class prices.
978.52	Butterfat differentials to handlers.
	DETERMINATION OF BASE
978.60	Computation of daily average base for each producer.
978.61	Base rules.
978.62	Announcement of established bases.
	DETERMINATION OF UNIFORM PRICES TO PRODUCERS
978.70	Computation of value of milk.
978.71	Computation of uniform price.
978.72	Computation of uniform prices for base milk and excess milk.
978.73	Notification of handlers.
	PAYMENTS
978.80	Payments to market administrator.
978.81	Payments to producers.
978.82	Butterfat differential to producers.
978.83	Adjustments of accounts.
978.84	Statement to producers.
978.85	Expense of administration.
978.86	Marketing services.
978.87	Termination of obligations.
	APPLICATION OF PROVISIONS
978.90	Producer-handlers.
978.91	Milk subject to another Federal order.
	EFFECTIVE TIME, SUSPENSION OR TERMINATION
978.100	Effective time.
978.101	Suspension or termination.
978.102	Continuing power and duty of the market administrator.
978.103	Liquidation after suspension or termination.
	MISCELLANEOUS PROVISIONS
978.110	Separability of provisions.
978.111	Agents.

AUTHORITY: §§ 978.0 to 978.111 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and sup. 608c.

§ 978.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and each of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Nashville, Tennessee, on August 23-24, 1951, upon a proposed marketing agreement and certain proposed amendments to the order, as amended, regulating the handling of milk in the Nashville, Tennessee, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions of said order, as amended, and as hereby further amended, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof the handling of milk in the Nashville, Tennessee, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended, and the aforesaid order, as amended, is hereby further amended as follows:

DEFINITION

§ 978.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 978.2 *Secretary.* "Secretary" means the Secretary of Agriculture or any of-

ficer or employee of the United States authorized to exercise the powers and to perform the duties of the Secretary of Agriculture.

§ 978.3 *Department of Agriculture.* "Department of Agriculture" means the United States Department of Agriculture or any other Federal agency as may be authorized by act of Congress or by Executive order to perform the price reporting functions of the United States Department of Agriculture.

§ 978.4 *Person.* "Person" means any individual, partnership, corporation, association, or any other business unit.

§ 978.5 *Nashville, Tennessee, marketing area.* "Nashville, Tennessee, marketing area" hereinafter called the "marketing area" means all the territory within Davidson County, Tennessee, including but not being limited to the cities of Nashville and Belle Meade.

§ 978.6 *Cooperative association.* "Cooperative association" means any cooperative marketing association of producers which the Secretary determines to be qualified pursuant to the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act," and is authorized by its members to make collective sales or to market milk or its products for the producers thereof.

§ 978.7 *Producer-handler.* "Producer-handler" means any person who is both a producer and a handler who receives no milk from other producers.

§ 978.8 *Delivery period.* "Delivery period" means a calendar month, or the portion thereof during which the regulation in this subpart are in effect.

§ 978.9 *Fluid milk plant.* "Fluid milk plant" means the premises and the portions of the building and facilities used in the receipts and processing or packaging of producer milk, all, or a portion, of which is disposed of from such plant within the delivery period as Class I milk in the marketing area; but not including any portion of such building or facilities used for receiving or processing milk or any milk product required by the appropriate health authority in the marketing area to be kept physically separate from the receiving and processing or packaging of milk for disposition as Class I milk in the marketing area.

§ 978.10 *Producer.* "Producer" means any person who produces milk under a dairy farm inspection permit issued by the appropriate health authority in the marketing area, and whose milk conforms to the appropriate health standards for milk for fluid consumption, which milk is: (a) Received at a fluid milk plant, or (b) diverted from a fluid milk plant to any milk distributing or milk manufacturing plant: *Provided,* That any such milk so diverted shall be deemed to have been received by the handler for whose account it was diverted.

§ 978.11 *Handler.* "Handler" means (a) any person who operates a fluid milk plant, or (b) any cooperative association of producers with respect to producer milk diverted by it from a fluid

milk plant to any milk distributing or milk manufacturing plant for the account of such association.

§ 978.12 *Nonfluid milk plant.* "Nonfluid milk plant" means any milk manufacturing, processing, or bottling plant other than a fluid milk plant described in § 978.9.

§ 978.13 *Other source milk.* "Other source milk" means all skim milk and butterfat received in any form from a producer-handler or a source other than producers or other handlers, except any nonfluid milk product which is received and disposed of in the same form.

§ 978.14 *Producer milk.* "Producer milk" means milk produced by one or more producers.

§ 978.15 *Base milk.* "Base milk" means milk received by a handler from a producer during any of the delivery periods of March through August which is not in excess of such producer's daily average base computed pursuant to § 978.60 multiplied by the number of days in such delivery period.

§ 978.16 *Excess milk.* "Excess milk" means milk received by a handler from a producer during any of the delivery periods of March through August which is in excess of base milk received from such producer during such delivery period, and shall include all milk received during such delivery periods from a producer for whom no daily average base can be computed pursuant to § 978.60.

MARKET ADMINISTRATOR

§ 978.20 *Designation.* The agency for the administration of this subpart shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal at the discretion of, the Secretary.

§ 978.21 *Powers.* The market administrator shall have the following powers with respect to this subpart:

- (a) To administer its terms and provisions;
- (b) To receive, investigate, and report to the Secretary complaints of violations;
- (c) To make rules and regulations to effectuate its terms and provisions; and
- (d) To recommend amendments to the Secretary.

§ 978.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this subpart, including, but not limited to, the following:

(a) Within 45 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer its terms and provisions;

(c) Obtain a bond in a reasonable amount and with reasonable surety

PROPOSED RULE MAKING

thereon covering each employee who handles funds entrusted to the market administrator;

(d) Pay, out of the funds provided by § 978.85, (1) the cost of his bond and of the bonds of his employees, (2) his own compensation, and (3) all other expenses, except those incurred under § 978.86, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this subpart, and, upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly disclose to handlers and producers, unless otherwise directed by the Secretary, the name of any person who, within 5 days after the day upon which he is required to perform such acts, has not made (1) reports pursuant to §§ 978.30 and 978.31, or (2) payments pursuant to §§ 978.80, 978.83 and 978.85;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be required by the Secretary;

(h) Prepare and make available for the benefit of producers, consumers, and handlers, general statistics and information concerning the operation of this subpart as are necessary and essential to the proper functioning of this marketing order;

(i) Verify all reports and payments by each handler by audit, if necessary, of such handler's records and the records of any other handler or person upon whose utilization the classification of skim milk and butterfat for such handler depends; and

(j) Publicly announce the prices and butterfat differentials determined for each delivery period as follows: (1) On or before the 6th day after the end of such delivery period, the price and butterfat differential for Class II milk computed pursuant to §§ 978.51 and 978.52; and (2) on or before the 10th day after the end of such delivery period, the uniform price(s), computed pursuant to §§ 978.71 and 978.72, the butterfat differential to be paid pursuant to § 978.82 and the Class I price and butterfat differential for the next following delivery period pursuant to §§ 978.51 and 978.52.

REPORTS, RECORDS, AND FACILITIES

§ 978.30 *Reports of receipts and utilization.* On or before the 6th day after the end of each delivery period each handler, except a producer-handler, shall report to the market administrator in the detail and on forms prescribed by the market administrator:

(a) The quantities of skim milk and butterfat contained in (1) all receipts at his fluid milk plant(s) within such delivery period of (i) producer milk, (ii) milk, skim milk, cream, and milk products from other handlers, and (iii) other source milk; and (2) milk diverted pursuant to § 978.10 (b); and

(b) The utilization of all skim milk and butterfat required to be reported under paragraph (a) of this section.

§ 978.31 *Other reports.* Each handler shall report to the market administrator, in the detail and on forms prescribed by the market administrator as follows, except that each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may request:

(a) On or before the 8th day after the end of each delivery period, a report which shall show for each producer (1) his correct name and address, (2) the total pounds and average butterfat content of milk delivered during such delivery period, (3) for the months of March through August the total pounds of base milk and excess milk delivered, and (4) the amount of any deductions authorized in writing by the producer to be made in making payments to such producer;

(b) On or before the 23d day of each delivery period, the correct name and address of each producer and the total pounds of milk delivered by such producer during the first 15 days of such delivery period;

(c) On or before the first day other source milk is received his intention to receive such milk, and on or before the last day such milk is received his intention to discontinue such receipts.

§ 978.32 *Reports to cooperative association.* On or before the 15th day after the end of each delivery period, the market administrator shall report to each cooperative association as described in § 978.86 (b), upon request by such association, the percentage of milk caused to be delivered by such association or by its members which was used in each class by each handler receiving any such milk. For the purpose of this report the milk so received shall be prorated to each class in the proportion that the total receipts of milk from producers by such handler were used in each class.

§ 978.33 *Records and facilities.* Each handler shall keep adequate records of receipts and utilization of skim milk and butterfat and shall, during the usual hours of business, make available to the market administrator or his representative such records and facilities as will enable the market administrator to (a) verify the receipts and utilization of all skim milk and butterfat and, in case of errors or omissions, ascertain the correct figures; (b) weigh, sample and test for butterfat content all milk and milk products handled; (c) verify deductions authorized by producers; and (d) make such examinations of operations, equipment, and facilities as the market administrator deems necessary.

§ 978.34 *Retention of records.* All books and records required under this subpart to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the calendar month to which such books and records pertain: *Provided*, That if, within such 3-year period the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in con-

nection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 978.40 *Basis of classification.* All skim milk and butterfat contained in (a) milk, skim milk, cream and milk products received at a fluid milk plant and (b) producer milk diverted pursuant to § 978.10 (b) shall be classified by the market administrator in the classes set forth in § 978.41.

§ 978.41 *Classes of utilization.* Subject to the conditions set forth in § 978.42 through § 978.45, the classes of utilization shall be as follows:

(a) Class I milk shall be all skim milk and butterfat: (1) Disposed of in fluid form as milk, skim milk, buttermilk, flavored milk, flavored milk drinks, cream, eggnog, yoghurt, and any other milk product which is required by the Nashville Health Department to be made from approved butterfat and skim milk, and (2) not specifically accounted for as Class II milk.

(b) Class II milk shall be all skim milk and butterfat: (1) Used to produce any item other than those specified in paragraph (a) of this section; (2) in inventory variations; (3) disposed of for livestock feed; (4) in actual plant shrinkage of skim milk and butterfat received in producer milk, but not in excess of 3 percent of such receipts of skim milk and butterfat, respectively, hereinafter known as allowable shrinkage; and (5) in actual plant shrinkage of skim milk and butterfat, respectively, in other source milk received: *Provided*, That if producer milk is utilized as milk, skim milk, or cream in conjunction with other source milk the shrinkage of skim milk and butterfat, respectively, allocated to producer milk and other source milk shall be computed pro rata according to the proportions of the volumes of skim milk and butterfat, respectively, received from such sources to their total.

§ 978.42 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be classified as Class I milk unless the handler who first receives such skim milk or butterfat proves to the market administrator that such skim milk or butterfat should be classified in another class.

(b) Any skim milk or butterfat classified (except that transferred to a producer-handler) in one class shall be reclassified if used or re-used by such handler or by another handler in another class.

§ 978.43 *Transfers.* Skim milk or butterfat disposed of by a handler either by transfer or diversion shall be classified:

(a) As Class I milk if transferred or diverted to a fluid milk plant of another

handler (except a producer-handler), unless utilization in Class II milk is mutually indicated in writing to the market administrator by both handlers on or before the 6th day after the end of the delivery period within which such transaction occurred: *Provided*, That skim milk or butterfat so assigned to Class II milk shall be limited to the amount thereof remaining in such class in the plant of the transferee-handler after the subtraction of other source milk pursuant to § 978.45, and any excess of such skim milk or butterfat respectively shall be assigned to Class I milk.

(b) As Class I milk if transferred or diverted in the form of any item specified in § 978.41 (a) to a producer-handler.

(c) As Class I milk if transferred or diverted to a nonfluid milk plant located less than 85 miles from the City Hall at Nashville, Tennessee, by the shortest highway distance as determined by the market administrator, unless (1) the handler claims Class II milk on the basis of a utilization mutually indicated in writing to the market administrator by both the operator of the nonfluid milk plant and the handler on or before the 8th day after the end of the delivery period within which such transaction occurred, (2) the operator of the nonfluid milk plant maintains books and records showing the utilization of all skim milk and butterfat at such plant which are made available if requested by the market administrator for the purpose of verification, and (3) not less than an equivalent amount of skim milk and butterfat was actually utilized in such plant in the use indicated in such statement: *Provided*, That if upon inspection of the records of such plant it is found that an equivalent amount of skim milk and butterfat was not actually used in such indicated use the remaining pounds shall be classified as Class I milk.

(d) As Class I milk if transferred or diverted in the form of any item specified § 978.41 (a) to a nonfluid milk plant located 85 miles or more from the City Hall in Nashville, Tennessee, by the shortest highway distance as determined by the market administrator, unless in the case of bulk fluid cream only (1) the handler claims Class II utilization, (2) such cream is disposed of other than as Grade A cream under a Grade A certification or label of the handler or the health authority(s) having jurisdiction over inspection of the handler's plant, (3) the handler tags or otherwise labels such cream "for manufacturing uses" and (4) the handler notifies the market administrator 24 hours in advance of his intention to make such Class II disposition.

§ 978.44 *Computation of skim milk and butterfat in each class.* For each delivery period, the market administrator shall correct for mathematical and other obvious errors the delivery period report submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in Class I milk and Class II milk for such handler.

§ 978.45 *Allocation of skim milk and butterfat classified.* (a) The pounds of skim milk remaining in each class after making the following computations for each handler for each delivery period shall be the pounds in such class allocated to producer milk received by such handler:

(1) Subtract allowable shrinkage of skim milk from the total pounds of skim milk in Class II milk;

(2) Subtract from the pounds of skim milk remaining in each class, in series beginning with the lowest-priced available use, the pounds of skim milk in other source milk;

(3) Subtract from the pounds of skim milk remaining in each class the pounds of skim milk received from other handlers and assigned to such class pursuant to § 978.43 (a);

(4) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; or if the pounds of skim milk remaining in all classes exceed the pounds of skim milk in producer milk, subtract such excess from the pounds of skim milk remaining in each class, in series beginning with the lowest-priced utilization.

(b) Allocate the pounds of butterfat in each class to producer milk in the same manner prescribed for skim milk in paragraph (a) (2) of this section.

(c) Add the pounds of skim milk and the pounds of butterfat allocated to producer milk in each class, respectively, as computed pursuant to paragraphs (a) and (b) of this section, and determine the percentage of butterfat in each class.

MINIMUM PRICES

§ 978.50 *Basic formula price.* The basic formula price per hundredweight (computed to the nearest tenth of a cent) to be used in determining the price for Class I milk pursuant to § 978.51 shall be the highest of the prices per hundredweight for milk of 4.0 percent butterfat content computed pursuant to paragraphs (a), (b), or (c) of this section or § 978.51 (b), all for the preceding delivery period.

(a) To the arithmetical average of the basic (or field) prices reported to have been paid or to be paid per hundredweight for milk of 3.5 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture on or before the 10th day after the end of the delivery period by the companies listed below:

Companies and Location

Borden Co., Black Creek, Wis.
Borden Co., Greenville, Wis.
Borden Co., Mount Pleasant, Mich.
Borden Co., New London, Wis.
Borden Co., Orfordville, Wis.
Carnation Co., Berlin, Wis.
Carnation Co., Jefferson, Wis.
Carnation Co., Chilton, Wis.
Carnation Co., Oconomowoc, Wis.
Carnation Co., Richland Center, Wis.
Carnation Co., Sparta, Mich.

Pet Milk Co., Belleville, Wis.
Pet Milk Co., Coopersville, Mich.
Pet Milk Co., Hudson, Mich.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Wayland, Mich.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

Add an amount computed by multiplying the butterfat differential computed pursuant to § 978.82 by 5.

(b) The price per hundredweight computed as follows:

(1) Multiply by 6 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period;

(2) Add an amount equal to 2.4 times the arithmetical average of the weekly prevailing price per pound of "Twins" during the delivery period on the Wisconsin Cheese Exchange at Plymouth, Wisconsin; *Provided*, That if the price of "Twins" is not quoted on such Exchange, the weekly prevailing price per pound of "Cheddars" shall be used; and

(3) Divide by 7, add 30 percent thereof, and then multiply by 4.

(c) The price per hundredweight computed as follows:

Multiply by 4.0 the arithmetical average of daily wholesale prices per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, add 20 percent thereof, and add to such sum $3\frac{3}{4}$ cents for each full $\frac{1}{2}$ cent that the arithmetical average of carlot prices per pound of nonfat dry milk solids (not including that specifically designated animal feed) spray and roller process, f. o. b. Chicago area manufacturing plants, as reported by the Department of Agriculture during the delivery period, is above 5 cents: *Provided*, That if such f. o. b. manufacturing plant prices of nonfat dry milk solids are not reported there shall be used for the purpose of such computation, the arithmetical average of the carlot prices of nonfat dry milk solids delivered at Chicago, Illinois, as reported weekly by the Department of Agriculture during the delivery period; and in the latter event the "5 cents" shall be increased by 1 cent.

§ 978.51 *Class prices.* Subject to the provisions of § 978.52, the minimum prices per hundredweight to be paid by each handler for milk received at his fluid milk plant from producers during the delivery period shall be as follows:

(a) *Class I milk.* The price for Class I milk shall be the basic formula price plus a differential of \$1.25, plus or minus a supply-demand adjustment computed as follows:

(1) Divide the total receipts of producer milk in the first and second preceding delivery periods by the total gross volume of Class I milk (less interhandler transfers) for such period, multiply the result by 100, and round to the nearest whole number. The result shall be known as the "current supply-demand relationship."

(2) Compute a net deviation percentage by subtracting from the "current supply-demand relationship" computed pursuant to subparagraph (1) of this

PROPOSED RULE MAKING

paragraph, the "base period supply-demand index" shown below:

Delivery period for which the Class I price is computed	Delivery periods used to compute relationship	Base period supply-demand index
January.....	November-December.....	Percent
February.....	December-January.....	109
March.....	January-February.....	111
April.....	February-March.....	113
May.....	March-April.....	119
June.....	April-May.....	132
July.....	May-June.....	145
August.....	June-July.....	147
September.....	July-August.....	144
October.....	August-September.....	140
November.....	September-October.....	128
December.....	October-November.....	115
		109

(3) Determine the amount of the supply-demand adjustment from the following schedule:

Net deviation (percentage points):	Adjustment amount (cents)
-24 or more.....	+49
-21 or -22.....	+43
-18 or -19.....	+37
-15 or -16.....	+31
-12 or -13.....	+25
-9 or -10.....	+19
-6 or -7.....	+13
-3 or -4.....	+7
-1, 0, or +1.....	0
+3 or +4.....	-7
+6 or +7.....	-13
+9 or +10.....	-19
+12 or +13.....	-25
+15 or +16.....	-31
+18 or +19.....	-37
+21 or +22.....	-43
+24 or more.....	-49

In case the net deviation percentage does not fall within the tabulated brackets, the adjustment amount shall be determined by the adjacent net deviation bracket which is the same as or nearest to the bracket used in the previous month: *Provided*, That the Class I differential adjusted pursuant to this subparagraph for each of the months of May, June and July shall not be more than such adjusted differential for the immediately preceding month of April; and that the Class I differential adjusted pursuant to this subparagraph for each of the months of November, December, and January shall not be less than such adjusted differential for the month of October.

(b) *Class II milk.* The price per hundredweight for Class II milk shall be the arithmetical average of the basic (or field) prices reported to have been paid or to be paid per hundredweight for milk of 4.0 percent butterfat content received from farmers during the delivery period at the following plants or places for which prices have been reported to the market administrator or to the Department of Agriculture on or before the 6th day after the end of the delivery period by the companies indicated below:

Company and Location

Cudahy Packing Co., Lafayette, Tenn.
Carnation Co., Murfreesboro, Tenn.
Kraft Foods Co., Gallatin, Tenn.
Borden Co., Fayetteville, Tenn.
Swift & Co., Lebanon, Tenn.
Borden Co., Lewisburg, Tenn.
Kraft Foods Co., Pulaski, Tenn.

Lakeshire-Marty Cheese Co., Carthage, Tenn.

Swift & Co., Lawrenceburg, Tenn.
Wilson & Co., Murfreesboro, Tenn.

§ 978.52 *Butterfat differentials to handlers.* If the weighted average butterfat test of that portion of producer milk which is classified, respectively, in any class of utilization for a handler, pursuant to § 978.45, is more or less than 4.0 percent, there shall be added to, or subtracted from, as the case may be, the price for such class of utilization, for each one-tenth of 1 percent that such weighted average butterfat test is above or below, respectively, 4.0 percent, a butterfat differential (computed to the nearest 10th of a cent), calculated for each class of utilization as follows:

(a) *Class I milk.* Multiply by 1.3 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the preceding delivery period, and divide the result by 10.

(b) *Class II milk.* Multiply by 1.15 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, and divide the result by 10.

DETERMINATION OF BASE

§ 978.60 *Computation of daily average base for each producer.* For the months of March through August of each year, subject to the rules set forth in § 978.61, the market administrator shall compute a daily average base for each producer as follows:

(a) Divide the total pounds of milk received by a handler(s) from such producer during the months of September through February immediately preceding by the number of days from the first day of delivery by such producer during such months to the last day of February, inclusive, but not less than 120 days.

§ 978.61 *Base rules.* The following rules shall apply in connection with the establishment of bases:

(a) A base shall apply to deliveries of milk by the producer for whose account that milk was delivered during the base forming period;

(b) Bases may be transferred by ratifying the market administrator in writing before the last day of any month for which such base is to be transferred to the person named in such notice only as follows:

(1) In the event of the death, retirement, or entry into military service of a producer, the entire base may be transferred to a member(s) of such producer's immediate family who carries on the dairy operations.

(2) If a base is held jointly and such joint holding is terminated, the entire base may be transferred to one of the joint holders.

§ 978.62 *Announcement of established bases.* On or before March 25, of each year, the market administrator shall notify each producer and the handler receiving milk from such producer the dairy base established by such producer.

DETERMINATION OF UNIFORM PRICES TO PRODUCER

§ 978.70 *Computation of value of milk.* The value of producer milk received during each delivery period by each handler shall be a sum of money computed by the market administrator by multiplying the pounds of such milk in each class for the delivery period by the applicable class price and adding together the resulting amounts: *Provided*, That if a handler, after subtracting receipts of other source milk and receipts from other handlers, has disposed of skim milk or butterfat in excess of the skim milk or butterfat which, on the basis of his report for the delivery period pursuant to § 978.30, has been credited to producers as having been received from them, there shall be added any plus amount computed by multiplying the pounds in each class as subtracted pursuant to paragraphs (a) (4) and (b) of § 978.45 by the applicable class price adjusted by the butterfat differential to handlers specified in § 978.52.

§ 978.71 *Computation of uniform price.* For the delivery periods of September through February the market administrator shall compute the uniform price per hundredweight for producer milk, on the basis of 4.0 percent butterfat content, as follows:

(a) Combine into one total the value computed pursuant to § 978.70 for all handlers who made the reports prescribed by § 978.30 for such delivery period, except those in default of payments required pursuant to § 978.80 for the preceding delivery period;

(b) Subtract if the average butterfat content of producer milk represented by the values included under paragraph (a) of this section is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 978.52 and multiply the result by the total hundredweight of such milk;

(c) Add an amount representing the cash balance on hand in the producer settlement fund, less the total amount of contingent obligations pursuant to § 978.81 (b) (5) and § 978.83;

(d) Divide the resulting amount by the total hundredweight of producer milk included in these computations; and

(e) Subtract not less than 4 cents nor more than 5 cents for the purpose of retaining in the producer-settlement fund a cash operating balance. This result shall be known as the "uniform price" per hundredweight for such delivery period for producer milk containing 4.0 percent butterfat, f. o. b. fluid milk plant.

§ 978.72 *Computation of uniform prices for base milk and excess milk.* For each of the delivery periods of March through August, the market administrator shall compute the uniform prices per hundredweight for base milk

and for excess milk, each of 4.0 percent butterfat content, as follows:

(a) Combine into one total the value computed pursuant to § 978.70 for all handlers who made the reports prescribed by § 978.30 for such delivery period, except those in default of payment required pursuant to § 978.80 for the preceding delivery period;

(b) Subtract if the average butterfat content of producer milk represented by the values included under paragraph (a) of this section is greater than 4.0 percent, or add, if such average butterfat content is less than 4.0 percent, an amount computed as follows: Multiply the amount by which the average butterfat content of such milk varies from 4.0 percent by the butterfat differential computed pursuant to § 978.82, and multiply the result by the total hundredweight of such milk.

(c) Add an amount representing the cash balance on hand in the producer-settlement fund, less the total amount of contingent obligations pursuant to § 978.81 (b) (5) and § 978.83.

(d) Compute the value on a 4.0 percent butterfat basis of the aggregate quantity of excess milk for all handlers included in the computation pursuant to paragraph (a) of this section by multiplying the hundredweight of such milk not in excess of the total quantity of Class II milk included in such computation by the price for Class II milk of 4.0 percent butterfat content, multiplying the hundredweight of such milk in excess of the total hundredweight of such Class II milk by the price for Class I milk of 4.0 percent butterfat content and adding together the resulting amounts;

(e) Divide the total value of excess milk obtained in paragraph (d) of this section by the total hundredweight of such milk, and adjust to the nearest cent. The resulting figure shall be the uniform price for excess milk of 4.0 percent butterfat content received from producers.

(f) Subtract the value of excess milk determined by applying the uniform price obtained in paragraph (e) of this section from the value of all milk obtained in paragraph (c) of this section;

(g) Divide the amount obtained in paragraph (f) of this section by the total hundredweight of base milk included in these computations;

(h) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (g) of this section. The resulting figure shall be the uniform price for base milk of 4.0 percent butterfat content received from producers.

§ 978.73 *Notification of handlers.* On or before the 10th day after the end of each delivery period, the market administrator shall mail to each handler, at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the totals thereof;

(b) The amount and value of any overage; and the amount necessary to correct errors discovered by the market

administrator in the verification of reports of such handlers receipts and utilization for previous months;

(c) The uniform price(s) computed pursuant to §§ 978.71 and 978.72 and the butterfat differential computed pursuant to §§ 978.82; and

(d) The amounts to be paid by such handler pursuant to §§ 978.80 and 978.85.

PAYMENTS

§ 978.80 *Payments to market administrator.* (a) On or before the 25th day of each month each handler shall pay to the market administrator a sum of money equal to the value of milk received by him from producers during the first 15 days of such month at not less than the Class II price for the preceding delivery period.

(b) On or before the 12th day of each month each handler shall pay to the market administrator an amount equal to such handler's net obligation for the previous delivery period as determined pursuant to § 978.70 less payments made pursuant to paragraph (a) of this section and less deductions authorized in writing by producers from whom such handler received milk. The market administrator shall maintain a producer-settlement fund in which he shall deposit all payments of handlers received pursuant to this section and out of which he shall make all payments pursuant to § 978.81.

§ 978.81 *Payments to producers.* (a) On or before the last day of each delivery period the market administrator shall make payment to each producer for milk received by a handler from such producer during the first 15 days of such delivery period at not less than the Class II price per hundredweight for the preceding delivery period.

(b) On or before the 15th day after the end of each delivery period the market administrator shall make payment to each producer for milk received by a handler from such producer during the delivery period at not less than the uniform price computed pursuant to § 978.71, if such delivery period is any of the months of September through February, or at not less than the uniform price for base milk computed pursuant to § 978.72 with respect to base milk received from such producer and at not less than the uniform price for excess milk computed pursuant to § 978.72 with respect to excess milk received from such producer, if such delivery period is any of the months of March through August, subject to the following adjustments: (1) The butterfat differential pursuant to § 978.82, (2) less payments made pursuant to paragraph (a) of this section, (3) less marketing service deductions pursuant to § 978.85, (4) less deductions authorized in writing by the producer, and (5) adjusted for any error in calculating payment to such individual producer for past delivery period: *Provided*, That if the market administrator has not received full payment for such delivery period pursuant to § 978.80 he may reduce, uniformly per hundredweight, his payments to all producers pursuant to this paragraph by a total

amount not in excess of the amount due from handlers: *Provided further*, That the market administrator shall make such balance of payment to producers on or before the date for making payments pursuant to this paragraph next following that on which such balance of payment is received from handlers.

(c) In making payments to producers pursuant to paragraphs (a) and (b) of this section the market administrator shall pay, on or before the 2d day prior to the date payments are due to individual producers, to a cooperative association which is authorized to collect payment for milk of its members and from which a request for such payment has been received, a total amount equal to not less than the sum of the individual payments otherwise payable to such producers pursuant to this section.

§ 978.82 *Butterfat differential to producers.* If, during the delivery period, any handler has received from any producer or cooperative association, milk having an average butterfat content other than 4.0 percent, the market administrator in making payments prescribed in § 978.81 (b), shall add to the uniform price(s) per hundredweight paid to such producer or cooperative association for each one-tenth of 1 percent that the average butterfat content of such milk is above 4.0 percent not less than, or may deduct from the uniform price(s) per hundredweight for each one-tenth of 1 percent that the average butterfat content of such milk is below 4.0 percent not more than, an amount computed as follows: Multiply by 1.2 the average daily wholesale price per pound of 92-score butter in the Chicago market, as reported by the Department of Agriculture during the delivery period, and divide the result by 10, and then adjust to the nearest one-tenth of a cent.

§ 978.83 *Adjustment of accounts.* Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors, resulting in money due the market administrator from such handler, or due such handler from the market administrator, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments set forth in the provisions under which such error occurred.

§ 978.84 *Statement to producers.* In making payments required by § 978.81 the market administrator shall furnish each producer or cooperative association with a supporting statement in such form that it may be retained by the producer or cooperative association which shall show:

(a) The delivery period and the identity of the handler and of the producer;

(b) The total pounds and the average butterfat content of milk delivered by the producer including for the months of March through August, the pounds of base milk and excess milk;

(c) The minimum rate or rates at which payment to the producer or coop-

erative association is required under the provisions of §§ 978.81 and 978.82;

(d) The amount or the rate per hundredweight of each deduction claimed by the handler including any deduction made pursuant to § 978.86 together with a description of the respective deductions; and

(e) The net amount of payment to the producer or cooperative association.

§ 978.85 *Expense of administration.* As his pro rata share of the expense of the administration of this subpart, each handler shall pay to the market administrator, on or before the 15th day after the end of each delivery period, 4 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to receipts, during the delivery period, of (a) milk from producers (including such handler's own production), and (b) other source milk allocated to Class I milk pursuant to § 978.45. Each cooperative association which is a handler shall pay such pro rata expense on only that milk of producers caused to be diverted by it pursuant to § 978.11 (b).

§ 978.86 *Marketing services.*—(a) *Deductions for marketing services.* Except as set forth in paragraph (b) of this section, in making payments to producers pursuant to § 978.81, the market administrator shall deduct an amount not exceeding 6 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to milk received by handler(s) from producers during the delivery period. Such moneys shall be used by the market administrator to verify weights, samples, and tests of milk received by handlers from producers during the delivery period and to provide such producers with market information. Such services shall be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) *Producers' cooperative associations.* In the case of producers for whom a cooperative association is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, the market administrator shall make in lieu of the deductions specified in paragraph (a) of this section, such deductions as are authorized by such producers and, on or before the 15th day after the end of each delivery period, pay over such deductions to the association rendering such services.

§ 978.87 *Termination of obligations.* The provisions of this section shall apply to any obligation under this subpart for the payment of money irrespective of when such obligation arose, except an obligation involved in an action instituted before March 1, 1950, under section 8c (15) (A) of the act or before a court.

(a) The obligation of any handler to pay money required to be paid under the terms of this subpart, shall, except as provided in paragraphs (b) and (c) of this section, terminate 2 years after the last day of the calendar month during which the market administrator re-

ceives the handler's utilization report on the milk involved in such obligations, unless within such 2-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this subpart, to make available to the market administrator or his representatives all books and records required by this subpart to be made available, the market administrator may, within the 2-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said 2-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representative.

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this subpart to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed.

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this subpart shall terminate 2 years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or 2 years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c (15) (A) of the act, a petition claiming such money.

APPLICATION OF PROVISIONS

§ 978.90 *Producer-handlers.* Sections 978.40 through 978.45, 978.50 through 978.52, 978.60 through 978.62, 978.70 through 978.73, and 978.80 through 978.86 shall not apply to a producer-handler.

§ 978.91 *Milk subject to another Federal order.* Milk received at a fluid milk plant which is subject to the pricing and payment provisions of any other Fed-

eral milk marketing agreement or order issued pursuant to the act for any fluid milk marketing area shall be considered as other source milk.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 978.100 *Effective time.* The provisions of this subpart or any amendments to this subpart shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 978.101 *Suspension or termination.* The Secretary shall suspend or terminate any or all of the provisions of this subpart, whenever he finds that it obstructs or does not tend to effectuate the declared policy of the act. This subpart shall, in any event, terminate whenever the provisions of the act authorizing it cease to be in effect.

§ 978.102 *Continuing power and duty of the market administrator.* (a) If, upon the suspension or termination of any or all of the provisions of this subpart, there are any obligations arising under this subpart, the final accrual or ascertainment of which requires further acts by any handler, by the market administrator, or by any other person, the power and duty to perform such further acts shall continue notwithstanding such suspension or termination: *Provided,* That any such acts required to be performed by the market administrator, shall, if the Secretary so directs, be performed by such other person, persons, or agency as the Secretary may designate.

(b) The market administrator, or such other person as the Secretary may designate shall (1) continue in such capacity until discharged by the Secretary; (2) from time to time account for all receipts and disbursements and deliver all funds or property on hand, together with the books and records of the market administrator, or such person, to such person as the Secretary shall direct; and (3) if so directed by the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title to all funds, property, and claims vested in the market administrator or such person pursuant thereto.

§ 978.103 *Liquidation after suspension or termination.* Upon the suspension or termination of any or all provisions of this subpart, the market administrator or such person as the Secretary may designate shall, if so directed by the Secretary, liquidate the business of the market administrator's office, and dispose of all funds and property then in his possession or under his control, together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions of this subpart, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or

such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

§ 978.110 *Separability of provisions.* If any provision of this subpart, or its application to any person or circum-

stances, is held invalid, the application of such provision, and of the remaining provisions of this subpart, to other persons or circumstances shall not be affected thereby.

§ 978.111 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in con-

nection with any of the provisions of this subpart.

Issued at Washington, D. C., this 10th day of October 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 51-12395; Filed, Oct. 15, 1951; 8:58 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Production and Marketing
Administration

HAWAIIAN SUGARCANE AND WEST COAST
SUGAR BEET; WAGES AND PRICES

NOTICE OF POSTPONEMENT OF HEARINGS

Pursuant to the authority contained in subsections (c) (1) and (c) (2) of section 301 of the Sugar Act of 1948 (61 Stat. 929; 7 U. S. C. Sup. 1131), notice is hereby given that the public hearings previously scheduled (16 F. R. 10135) at Honolulu on the Island of Oahu, in the Chamber of Commerce Meeting Room, Dillingham Building, on October 18, 1951 at 9:00 a. m. and at Hilo on the Island of Hawaii, in the Masonic Hall, on October 22, 1951 at 9:00 a. m., are postponed in order to give interested parties additional time to prepare their views and arguments. The hearings will be held at a time and place to be announced at a later date.

The purpose of such hearings is to receive evidence likely to be of assistance to the Secretary of Agriculture in determining (1), pursuant to the provisions of section 301 (c) (1) of said act, fair and reasonable wage rates for persons employed in the production, cultivation or harvesting of sugarcane in Hawaii during the calendar year 1952 on farms with respect to which applications for payments under the said act are made and (2), pursuant to the provisions of section 301 (c) (2) of said act, fair and reasonable prices for the 1952 crop of Hawaiian sugarcane to be paid, under either purchase or toll agreements by processors who, as producers, apply for payments under the said act.

Issued this 12th day of October 1951.

[SEAL] HAROLD K. HILL,
Acting Administrator.

[F. R. Doc. 51-12432; Filed, Oct. 15, 1951; 9:24 a. m.]

FEDERAL COMMUNICATIONS
COMMISSION

[Docket Nos. 9317, 10069]

EASTLAND COUNTY BROADCASTING CO. AND
LYMAN BROWN ENTERPRISES

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Dan Childress, J. W. Courtney, Grady Pipkin, Donald No. 201—9

C. Hill, Alton W. Stewart and Gordon Griffin d/b as Eastland County Broadcasting Company, Eastland, Texas, Docket No. 9317, File No. BP-5688; Lyman C. Brown tr/as Lyman Brown Enterprises, Brownwood, Texas, Docket No. 10069, File No. BP-8149.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 4th day of October 1951;

The Commission having under consideration the above-entitled applications of Eastland County Broadcasting Company requesting a construction permit for a new standard broadcast station to be operated on 1250 kilocycles, daytime only with 1 kilowatt power at Eastland, Texas, and of Lyman Brown Enterprises requesting a construction permit for a new standard broadcast station to be operated on 1240 kilocycles, unlimited time with 100 watts power at Brownwood, Texas;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said applications are designated for hearing in a consolidated proceeding commencing at 10:00 a. m. on November 5, 1951, at Washington, D. C., upon the following issues:

1. To determine the legal, technical, financial and other qualifications of the applicant partnership and its partners and of the individual applicant to construct and operate the proposed stations.
2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed stations, and the character of other broadcast service available to such areas and populations.
3. To determine the type and character of program service proposed to be rendered and whether it would meet the requirements of the populations and areas proposed to be served.
4. To determine whether the operation of the proposed station at Eastland, Texas, and Brownwood, Texas, would involve objectionable interference with Stations KFJZ, Fort Worth, Texas, and KXOX, Sweetwater, Texas, respectively, or with any other existing broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.
5. To determine whether the operation of the proposed stations would involve objectionable interference, each with the other, or with the services proposed in

any other pending applications for broadcast facilities, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

6. To determine whether the installation and operation of the proposed stations would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

7. To determine the overlap, if any, that will exist between the service area of the proposed station at Eastland, Texas, and of Station KSTA at Coleman, Texas; the nature and extent thereof, and whether such overlap, if any, is in contravention of § 3.25 of the Commission's rules.

8. To determine on a comparative basis which, if either of the applications in this consolidated proceeding should be granted.

It is further ordered, That, Tarrant Broadcasting Company, licensee of Station KFJZ, Fort Worth, Texas, and Radio and News, Inc., licensee of Station KXOX, Sweetwater, Texas, are made parties to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-12370; Filed, Oct. 15, 1951; 8:54 a. m.]

[Docket Nos. 10017, 10018, 10066]

K9 PATROL BY KENNEDY DETECTIVE
AGENCY ET AL.

ORDER DESIGNATING APPLICATION FOR CONSOLIDATED HEARING ON STATED ISSUES

In re applications of Bennett Thornton Kennedy, d/b as K9 Patrol By Kennedy Detective Agency, Miami, Florida, Docket No. 10017, File No. 179-C2-P-51; Rolfe Armored Truck Service, Inc., Miami, Florida, Docket No. 10018, File No. 971-C2-R-51; Roy C. Jones, Fort Lauderdale, Florida, Docket No. 10066, File No. 170-C2-P-52; for construction permits or licenses, respectively, in the Domestic Public Land Mobile Radio Service.

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 4th day of October 1951;

The Commission, having under consideration the above-entitled applications

of Roy C. Jones for new construction permit in the Domestic Public Land Mobile Radio Service at Fort Lauderdale, Florida; and

It appearing, that on July 18, 1951, the Commission designated for hearing, in a consolidated proceeding, the other above-entitled applications for authorizations in the Domestic Public Land Mobile Radio Service at Miami, Florida; and

It further appearing, that the proposed station of Roy C. Jones would be located within a service area which is substantially coextensive with Miami; that the number of applicants exceeds the number of frequencies available for assignment in that area; and that his applications are mutually exclusive with the other above-entitled applications for authorizations in the Domestic Public Land Mobile Radio Service in the Miami-Fort Lauderdale area; and

It further appearing, that the above-entitled applications of Roy C. Jones were filed more than 20 days prior to the date of the hearing in the above-entitled proceeding;

It is ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the above-entitled applications of Roy C. Jones are designated for hearing in the above-entitled consolidated proceeding and that the Commission's order herein dated July 18, 1951, is amended by deletion of the issues therein set forth and substitution of the following issues:

1. To determine the legal, technical, financial and other qualifications of each of the above-entitled applicants to construct and operate the proposed stations.

2. To determine the areas and populations which may be expected to receive service from each proposed station and the need for such service in the area proposed to be served.

3. To determine whether co-channel operations are feasible between the communities involved in this proceeding.

4. To determine whether any mutual interference would result from operation of the proposed stations, and, if so, whether, in view of the nature of the service proposed, such interference would be undesirable or intolerable.

5. To determine the nature, type and scope of service proposed to be provided by each applicant.

6. To determine the facts with respect to the proposed facilities, personnel, rates, regulations, practices and services of each applicant for the furnishing of radiocommunication service in the Domestic Public Land Mobile Radio Service in the Miami-Ft. Lauderdale, Florida, area.

7. To determine, in the light of the evidence on the foregoing issues, which applicant is better qualified to serve the public interest, convenience, or necessity.

8. To determine, on a comparative basis, which, if any, of the applications in this proceeding should be granted.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-12368; Filed, Oct. 15, 1951;
8:53 a. m.]

[Docket No. 10067]

LEONARD M. MILLER

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In the matter of Leonard M. Miller, Meadville, Pennsylvania, Docket No. 10067; application for renewal of radiotelephone first-class operator license.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 4th day of October 1951;

The Commission having under consideration the application of Leonard M. Miller, R. D. No. 3, Leberman Avenue, Meadville, Pennsylvania, for renewal of a radiotelephone first-class operator license which he alleges was issued to him by the Commission on April 26, 1946, and which bears the number P-2-7506.

It appearing, that the Commission's records fail to show that Miller was ever examined for the license which he seeks to renew and

It further appearing, that the Commission's records fail to show that a radiotelephone first-class operator license was ever issued to Miller and

It further appearing, that the license which Miller seeks to have renewed has been fraudulently altered to show it was issued to Miller and that the signature of the issuing officer does not appear to be authentic but a facsimile thereof; and

It further appearing, that the Commission is unable to determine in consideration of the application and information before it that a radiotelephone first-class operator license which may be renewed was ever issued to the said Leonard M. Miller; and

It further appearing, that Miller has requested a hearing in the matter of his application;

It is ordered, That pursuant to section 303 (1) of the Communications Act of 1934, as amended, the above-entitled application is hereby designated for hearing at a time and place to be specified by a subsequent order of the Commission upon the following issues:

1. To determine whether Miller was ever examined by the Commission for a radiotelephone first-class operator license and whether he obtained a passing grade in such an examination.

2. To determine whether a radiotelephone first-class operator license was issued by the Commission to Miller pursuant to his passing an examination for that grade of license.

3. To determine whether the radiotelephone first-class operator license which Miller seeks to have the Commission renew was, in fact, issued to Miller.

4. To determine in the light of the evidence adduced under the issues in this proceeding whether the Commission should issue Leonard M. Miller a renewal license as requested.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-12371; Filed, Oct. 15, 1951;
8:55 a. m.]

[Docket No. 10070]

FRANK D. TEFTT, JR.

ORDER DESIGNATING APPLICATION FOR
HEARING ON STATED ISSUES

In re application of Frank D. Tefft, Jr., Big Rapids, Michigan, Docket No. 10070, File No. BP-8192; for construction permit.

At a session of the Federal Communications Commission held at its offices in Washington, D. C., on the 4th day of October 1951;

The Commission having under consideration the above-entitled application of Frank D. Tefft, Jr., requesting the facilities of 1400 kilocycles, 100 watts power, unlimited time, at Big Rapids, Michigan; and a petition to designate the subject application for hearing filed by the Saginaw Broadcasting Company, licensee of Station WSAM, Saginaw, Michigan;

It appearing, that the applicant is legally, technically and otherwise qualified to operate the proposed station, but that in view of insufficient information it is not ascertainable whether the applicant is financially qualified and that the application may involve interference with one or more existing stations and otherwise not comply with the Standards of Good Engineering Practice;

It is ordered, That the Saginaw Broadcasting Company's petition is hereby granted;

It is further ordered, That, pursuant to section 309 (a) of the Communications Act of 1934, as amended, the said application is designated for hearing commencing at 10:00 a. m. on November 9, 1951, at Washington, D. C., upon the following issues:

1. To determine the financial qualifications of the applicant to construct and operate the proposed station.

2. To determine the areas and populations which may be expected to gain or lose primary service from the operation of the proposed station, and the character of other broadcast service available to such areas and populations.

3. To determine whether the operation of the proposed station would involve objectionable interference with Stations WGRD, Grand Rapids, Michigan, and WSAM, Saginaw, Michigan, and any other existing broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other broadcast service to such areas and populations.

4. To determine whether the installation and operation of the proposed station would be in compliance with the Commission's rules and Standards of Good Engineering Practice Concerning Standard Broadcast Stations.

It is further ordered, That the Music Broadcasting Company, licensee of Station WGRD, Grand Rapids, Michigan, and the Saginaw Broadcasting Company, licensee of Station WSAM, Saginaw, Michigan, are made parties to this proceeding.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 51-12369; Filed, Oct. 15, 1951;
8:54 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 3037]

NATIONAL AIRLINES, INC.

NOTICE OF HEARING

In the matter of the compensation for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, of National Airlines, Inc., over its entire system.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 406 and 1001 of said act, that a hearing in the above-entitled proceeding is assigned to be held on October 17, 1951, at 10:00 a. m., e. s. t., in Room 1013, Temporary Building No. 4, Constitution Avenue between Sixteenth and Seventeenth Streets NW., Washington, D. C., before Examiner Richard A. Walsh.

Dated at Washington, D. C., October 11, 1951.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 51-12391; Filed, Oct. 15, 1951;
8:57 a. m.]

[Docket No. 5043]

COMPAGNIE NATIONALE AIR FRANCE

NOTICE OF REASSIGNMENT OF HEARING

In the matter of the application of Compagnie Nationale Air France, for a foreign air carrier permit and revision of a permit pursuant to section 402 of the Civil Aeronautics Act of 1938, as amended, and the Air Transport Services Agreement between the United States and France, March 27, 1946, as amended.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, that hearing in the above-entitled proceeding is reassigned to be held on October 22, 1951, at 10:00 a. m., e. s. t., in Room 210, Temporary Building No. 5, Sixteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Curtis C. Henderson.

Dated at Washington, D. C., October 10, 1951

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 51-12390; Filed, Oct. 15, 1951;
8:57 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

NOTICE OF FILING OF PLAT OF SURVEY

OCTOBER 8, 1951.

Notice is given that the plat of original survey of the following described lands, accepted March 1, 1951, will be officially filed in the Land Office, Fairbanks, Alaska, effective at 10:00 a. m. on the 35th day after the date of this notice:

T. 1 S., R. 2 E., Fairbanks Meridian
Sec. 33; Lots 4, 5, 6, 7, 8, N $\frac{1}{2}$ NW $\frac{1}{4}$,
N $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$.

The area described contains 441.87 acres.

The lands above described were, upon survey, reserved for the Territory of Alaska, under the act of March 4, 1915 (38 Stat. 1214; 48 U. S. C. 353), for the support of a Territorial Agriculture College and School of Mines.

Anyone having a settlement or other right to any of these lands initiated prior to the survey in the field should assert the same within three months from the date on which the plat is officially filed by filing an application under the appropriate public land law, setting forth all the facts relative thereto.

LOWELL M. PUCKETT,
Regional Administrator.

[F. R. Doc. 51-12343; Filed, Oct. 15, 1951;
8:48 a. m.]

Office of the Secretary

[Order 2664]

GEOLOGICAL SURVEY; REGIONAL
SUPERVISORS

DELEGATION OF AUTHORITY WITH RESPECT
TO OIL AND GAS SALES CONTRACT AND
AGREEMENTS

SEPTEMBER 27, 1951.

SECTION 1. *Oil and gas sales contracts.*
The regional oil and gas supervisors of the Geological Survey may act for the Secretary of the Interior in finally approving oil and gas sales contracts and agreements filed pursuant to 30 CFR Part 223.

SEC. 2. *Revocation.* Order No. 2290 of January 23, 1947 (12 F. R. 706), is revoked.

OSCAR L. CHAPMAN,
Secretary of the Interior.

[F. R. Doc. 51-12378; Filed, Oct. 15, 1951;
8:56 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-1380, G-1696]

EL PASO NATURAL GAS CO.

ORDER CHANGING PLACE OF HEARING AND
DENYING MOTION TO CONSOLIDATE

OCTOBER 5, 1951.

On October 1, 1951, El Paso Natural Gas Company (El Paso) filed a motion requesting that the hearing in Docket No. G-1380 now set to commence on October 15, 1951, in Washington, D. C., and that the hearing in Docket No. G-1696 now set to commence on October 17, 1951, in Washington, D. C., be both transferred to El Paso, Texas.

On October 4, 1951, El Paso filed a further motion that the hearings in Docket Nos. G-1380 and G-1696 be consolidated for hearing.

The Commission orders:

(A) The hearings now set to commence in Docket Nos. G-1380 and G-1696 in Washington, D. C., be and the same hereby are transferred to commence at 10:00 a. m. on October 15 and

17, 1951, respectively, Room 129 U. S. Courthouse in El Paso, Texas.

(B) The motion filed on October 4, 1951, by El Paso to consolidate the above hearings be and the same hereby is denied.

Date of issuance: October 9, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12344; Filed, Oct. 15, 1951;
8:48 a. m.]

[Docket Nos. G-1380, G-1696]

EL PASO NATURAL GAS CO.

ORDER POSTPONING HEARINGS

OCTOBER 9, 1951.

On October 8, 1951, El Paso Natural Gas Company filed a motion requesting approval of a proposed settlement of the above rate proceedings.

The proceeding in Docket No. G-1380 is now set for hearing to commence on October 15, 1951, and the hearing in Docket No. G-1696 to commence on October 17, 1951, in El Paso, Texas.

The Commission finds: The hearings should be postponed due to the proximity of time of hearing with the proposed offer of settlement and good cause exists for such postponement.

The Commission orders: The hearings now set to commence in Docket Nos. G-1380 and G-1696 on October 15 and 17, 1951, respectively, be and the same hereby are postponed to commence at 10:00 a. m. on October 31 and November 2, 1951, respectively, Room 219, U. S. Courthouse, in El Paso, Texas.

Date of issuance: October 10, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12365; Filed, Oct. 15, 1951;
8:53 a. m.]

[Docket No. G-1678]

MICHIGAN-WISCONSIN PIPE LINE CO.

ORDER FIXING DATE OF HEARING AND
SPECIFYING PROCEDURE

OCTOBER 9, 1951.

On April 24, 1951, the Commission by order suspended First Revised Sheet No. 5 (comprising Rate Schedule G-1) to the FPC Gas Tariff of Michigan-Wisconsin Pipe Line Company (Michigan-Wisconsin). By said order, the Commission ordered a hearing to be held at a time and place to be fixed by further order of the Commission.

The Commission finds:

(1) The public hearing on the above proceeding should be held at the time and place hereinafter designated.

(2) It is necessary and appropriate to carry out the provisions of the Natural Gas Act, and it is in the public interest, that the procedure hereinafter prescribed shall be followed at such hearing

In order to conduct this proceeding with reasonable dispatch.

The Commission orders:

(A) The public hearing on the above-entitled proceeding shall commence on November 13, 1951, at 10:00 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C.

(B) Pursuant to the provisions of section 4 (e) of the Natural Gas Act, Michigan-Wisconsin shall go forward with the burden of proof imposed upon it, presenting its justification with respect to the issues raised by the order of suspension, dated April 24, 1951.

(C) After Michigan-Wisconsin has so presented its justification, other parties, including Commission Staff Counsel, shall conduct as much of their cross-examination with respect to Michigan-Wisconsin's justification as they are then prepared to undertake. Thereupon, the Presiding Examiner shall recess the hearing to a date to be fixed by further order of the Commission, in order to permit such preparation for the remainder of such cross-examination as the facts and circumstances may warrant, to expedite the proceeding.

(D) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: October 10, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12366; Filed, Oct. 15, 1951;
8:53 a. m.]

[Docket No. G-1697]

NATURAL GAS PIPELINE CO. OF AMERICA

ORDER FIXING DATE OF HEARING, SPECIFYING
PROCEDURE, AND PERMITTING INTERVEN-
TION

OCTOBER 9, 1951.

The Commission, by order issued May 31, 1951, suspended the operation of a rate tariff—designated FPC Gas Tariff, First Revised Volume No. 1—and all service agreements executed thereunder filed by Natural Gas Pipeline Company of America and directed that a public hearing be held at a date and place to be fixed thereafter concerning the lawfulness of the rates, charges, and classifications, subject to the jurisdiction of the Commission, as set forth in such tariff.

On June 12, 1951, a petition seeking leave to intervene in this proceeding was filed by the Hon. Michael V. DiSalle, Director of Price Stabilization.

The Commission finds:

(1) The public hearing in this proceeding should be held at the time and place hereinafter designated.

(2) It is necessary and appropriate to carry out the provisions of the Natural Gas Act, as amended, and it is in the public interest, that the procedure hereinafter prescribed shall be followed at the hearing in order to conduct this proceeding with reasonable dispatch.

(3) The participation of the Hon. Michael V. DiSalle, Director of Price Stabilization, in this proceeding may be in the public interest.

The Commission orders:

(A) A public hearing be held commencing on November 20, 1951, at 10:00 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the lawfulness of the rates, charges, and classifications, subject to the jurisdiction of this Commission, set forth in FPC Gas Tariff, First Revised Volume No. 1 filed by Natural Gas Pipeline Company of America.

(B) Pursuant to the provisions of section 4 (e) of the Natural Gas Act, Natural Gas Pipeline Company of America shall go forward with the burden of proof imposed upon it, and present its justification with respect to the issues raised by the order of suspension issued May 31, 1951.

(C) After Natural Gas Pipeline Company of America has so presented its justification, other parties, including Commission Staff Counsel, shall be permitted to conduct as much of their cross-examination as they are then prepared to undertake. Thereupon, the Presiding Examiner shall recess the hearing to a date to be fixed by further order of the Commission, in order to permit such preparation for the remainder of their cross-examination as the facts and circumstances may warrant, to expedite the proceedings.

(D) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

(E) The above-named petitioner be and he hereby is permitted to become an intervenor in the above proceeding, subject to the Rules and Regulations of the Commission: *Provided, however, That the participation of such intervenor shall be limited to matters affecting asserted rights and interests specifically set forth in such petition for leave to intervene: And provided further, That admission of such intervenor shall not be construed as recognition by the Commission that such intervenor might be aggrieved because of any order of the Commission entered in these proceedings.*

Date of issuance: October 10, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12367; Filed, Oct. 15, 1951;
8:53 a. m.]

[Docket No. G-1725]

PANHANDLE EASTERN PIPE LINE CO.

ORDER FIXING DATE OF HEARING

OCTOBER 9, 1951.

On June 21, 1951, Panhandle Eastern Pipe Line Company (Applicant), a Delaware corporation having its principal place of business at Kansas City, Missouri, filed an application pursuant to section 7 (b) of the Natural Gas Act

for permission and approval to abandon partially natural-gas service to Michigan Consolidated Gas Company (Michigan Consolidated) at Detroit, Michigan.

Commencing January 1, 1952, Applicant requests permission and approval to reduce its natural-gas deliveries to Michigan Consolidated at Detroit, Michigan, from a daily maximum volume of 125,000 Mcf per day to a daily maximum volume of 87,500 Mcf per day, all as more fully described in the application on file with the Commission and open to public inspection.

Due notice of the filing of the application has been given, including publication of notice in the FEDERAL REGISTER on July 7, 1951 (16 F.R. 6641).

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on October 29, 1951, at 10:00 a. m., e. s. t. in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by the aforesaid application.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: October 9, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12346; Filed, Oct. 15, 1951;
8:49 a. m.]

[Docket No. G-1769]

PUBLIC SERVICE COMMISSION OF
WISCONSIN

ORDER FIXING DATE OF HEARING

OCTOBER 9, 1951.

On August 17, 1951, the Public Service Commission of Wisconsin filed a petition requesting that the Federal Power Commission investigate, determine, and order that the Michigan-Wisconsin Pipe Line Company (Michigan-Wisconsin) deliver to the State of Wisconsin that proportionate and equitable share of natural gas to which the State of Wisconsin is justly entitled.

In its petition for such action by this Commission, the Public Service Commission alleges, among other things, that Michigan-Wisconsin has represented to the Petroleum Administration for Defense and the Public Service Commission that there is presently and there will continue to be a system-wide shortage requiring restriction or curtailment of the use of natural gas in Wisconsin; that Michigan-Wisconsin proposes to allocate its supply of gas in an arbitrary and inequitable manner as between the public utilities which it serves in Michigan and those which it serves in Wisconsin; that Michigan-Wisconsin has appropri-

ated for the benefit of Michigan Consolidated Gas Company (Michigan Consolidated), an affiliated company, winter peak capacity and supply of gas which it represented and designed to be available for the State of Wisconsin; that the daily peaking capacity of the main trunk line of Michigan-Wisconsin is between 303,000 Mcf and 310,000 Mcf; that the daily peak capacity of the Wisconsin lateral is 265,000 Mcf; that the estimated peak-day demand of the Wisconsin customers will be 196,481 Mcf in 1951; that under the allocation proposed by Michigan-Wisconsin, Wisconsin markets will be deprived of the balance of the daily winter peaking capacity of the Wisconsin lateral to the extent of 69,000 Mcf, which is contrary to the original design and representations by Michigan-Wisconsin to the Federal Power Commission and the State of Wisconsin; and that Michigan-Wisconsin permitted its affiliate, Michigan Consolidated, to expand prematurely and inordinately its space-heating customers without consideration of Wisconsin and other pipeline customers, notwithstanding that Michigan-Wisconsin knew or should have known that Michigan Consolidated's expanded requirements could be met only by a continuation of its manufactured gas production or by drawing upon the equitable portion of the gas previously represented to be available to other markets, in particular those in Wisconsin.

The Public Service Commission further alleges that, relying upon the representations made by Michigan-Wisconsin in the proceedings before the Federal Power Commission at Docket No. G-1302, the Wisconsin gas utilities have in good faith represented to the Wisconsin public that an adequate supply of natural gas could and would be available; that, if the arbitrary and inequitable allocation of gas as proposed by Michigan-Wisconsin is permitted, the Wisconsin public will suffer irreparable damage; and that said proposed allocation of Michigan-Wisconsin constitutes an undue prejudice and disadvantage to the people of the state of Wisconsin contrary to the provisions of the Natural Gas Act.

A copy of such petition having been served on Michigan-Wisconsin, it filed its answer thereto on September 21, 1951. In such answer, Michigan-Wisconsin states, among other things, that, assuming the purchase of the full contract maximum of 343,000 Mcf per day from the Phillips Petroleum Company, its supplier, the designed sales capacity of its system is 110,595,000 Mcf per year; that in the said proceedings at Docket No. G-1302 Michigan-Wisconsin presented evidence as to the estimated requirements of each of its customers for the five-year period 1950 through 1954; that the Federal Power Commission stated in its Opinion No. 196 issued in the proceedings at Docket No. G-1302 that the designed sales capacity of Michigan-Wisconsin's system would be sufficient to satisfy the requirements, as thus estimated, "only through the year 1952" and that further expansion would be necessary "prior to 1953" if the estimated demands in that year are to be satisfied; that Michigan-Wisconsin represented in

the proceedings at Docket No. G-1302 that deficiencies in supply would be met by curtailment of large industrial loads of over 10,000 Mcf per month; and that its FPC Gas Tariff contains a provision providing for such curtailment of industrial loads in the event of shortage.

Michigan-Wisconsin further states in its answer that in May 1951, Michigan-Wisconsin obtained from its customers their latest estimates of requirements for the five-year period 1951 through 1955; that by letter dated August 1, 1951, Michigan-Wisconsin advised the Petroleum Administration for Defense that, based upon such estimates, there would be a shortage upon the Michigan-Wisconsin system for the eight-month period, July 1, 1951, to March 1, 1952, of at least 5,606,000 Mcf and that this shortage would be increased by an additional 2,500,000 Mcf if the customers, other than Michigan Consolidated continued to take on additional space-heating loads; that Michigan Consolidated has had a ban on space-heating conversions since May 22, 1950, and has had a complete ban on all additional space-heating loads, including new homes, since April 7, 1951; that the shortage referred to reflected the loss of some 4,000,000 Mcf in pipe-line deliveries during some 14 days when the line was out of service because of a line break; that on August 15, 1951, the Petroleum Administration for Defense issued its order No. 2 limiting additional space heating and large industrial loads in certain states, including Michigan and Wisconsin; that, thereafter, the Public Service Commission of Wisconsin filed a certification with the Petroleum Administration for Defense under section 704 of the Defense Production Act, and on August 20, 1951, issued an order imposing similar limitations on additional space-heating and large industrial loads; and that, while Michigan-Wisconsin has not promulgated any plan of allocation among its customers, its presently authorized capacity will not permit the continued addition of space-heating and large industrial loads and Michigan-Wisconsin plans to so advise its customers.

In further answer to said petition, Michigan-Wisconsin states that the peak-day demands of the Wisconsin customers depend, to a large extent, upon the continuation of the present restrictions upon additional space-heating and large industrial loads; and that Michigan-Wisconsin in its operations has not departed from the showing which it made in its certificate proceedings before the Federal Power Commission.

The Commission orders:

(A) Pursuant to the provisions of the Natural Gas Act, particularly sections 4, 5, and 15 thereof, and the Commission's rules of practice and procedure, a public hearing be held commencing on November 13, 1951, at 10:00 a. m. (e. s. t.) in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented in said petition of the Public Service Commission of Wisconsin and the answer thereto of Michigan-Wisconsin Pipe Line Company.

(B) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: October 9, 1951.

By the Commission.

[SEAL]

LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12345; Filed, Oct. 15, 1951;
8:48 a. m.]

[Docket No. G-1799]

SOUTHERN NATURAL GAS CO.

NOTICE OF APPLICATION

OCTOBER 10, 1951.

Take notice that Southern Natural Gas Company (Applicant), a Delaware corporation with its principal place of business at Birmingham, Alabama, filed on October 1, 1951, an application for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act, as amended, authorizing the construction and operation of natural-gas facilities, and transportation of gas as hereinafter set forth.

Applicant proposes to construct and operate a line tap and approximately 100 feet of 4½-inch diameter pipeline, together with approximate facilities for the delivery and measurement of gas; said tap line to extend from Applicant's 6-inch Brickyard Tap line in Russell County, Alabama, which in turn connects with the eastern terminus of Applicant's Columbus-Montgomery branch line. Upon construction of the proposed facilities, Applicant proposes to sell and deliver natural gas to Eason Pottery Works up to an estimated maximum of 150 Mcf per day upon an interruptible basis. The estimated cost of the proposed facilities is \$4,225.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 31st day of October 1951. The application is on file with the Commission for public inspection.

[SEAL]

LEON M. FUQUAY,
Secretary.

[F. R. Doc. 51-12364; Filed, Oct. 15, 1951;
8:51 a. m.]

FEDERAL TRADE COMMISSION

[File No. 21-434]

FLOOR MACHINERY INDUSTRY

NOTICE OF HEARING AND OF OPPORTUNITY TO PRESENT VIEWS, SUGGESTIONS, OR OBJECTIONS

In the matter of proposed trade practice rules for the Floor Machinery Industry.

Opportunity is hereby extended by the Federal Trade Commission to any and all persons, partnerships, corporations, organizations, or other parties, including farm, labor, and consumer groups, affected by or having an interest in the

proposed trade practice rules for the Floor Machinery Industry, to present to the Commission their views concerning said rules, including such pertinent information, suggestions, or objections as they may desire to submit, and to be heard in the premises. For this purpose they may obtain copies of the proposed rules upon request to the Commission. Such views, information, suggestions, or objections may be submitted by letter, memorandum, brief, or other communication, to be filed with the Commission not later than November 2, 1951. Also opportunity to be heard orally will be afforded at the hearing beginning at 10 a. m., November 2, 1951, in Room 332, Federal Trade Commission Building, Pennsylvania Avenue at Sixth Street NW., Washington, D. C. After due consideration of all matters presented in writing or orally, the Commission will proceed to final action on the proposed rules.

The industry is composed of the persons, firms, corporations and organizations engaged in the manufacture, distribution or sale of household, commercial, or industrial power-driven machines for wet or dry cleaning, polishing, resurfacing, or maintenance of floors or floor coverings, or of parts, accessories or attachments for such machines, but not including the type of machines commonly designated as dry-suction "vacuum cleaners" except when designed for use in connection with other products of the industry.

Issued: October 10, 1951.

By the Commission.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 51-12317; Filed, Oct. 15, 1951;
8:46 a. m.]

INTERSTATE COMMERCE COMMISSION

[Rev. S. O. 874, Amdt. 1 to Rev. General
Permit 18]

EVANS MILLING CO. AND DECATUR
MILLING CO.

EXTENSION OF EXPIRATION DATE

Pursuant to the authority vested in me in paragraph (d) of Revised Service Order No. 874 (16 F. R. 2040, 3133), good cause appearing therefor: *It is ordered, That:*

Revised General Permit No. 18 is hereby amended by substituting the following paragraph for the third paragraph thereof:

This General Permit shall expire at 11:59 p. m., March 15, 1952, unless otherwise modified, changed, suspended, or revoked.

It is further ordered, That this amendment shall become effective at 11:59 p. m., October 10, 1951; that a copy of this amendment and direction be served upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this amendment be given to the general public by depositing a copy in the

office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., this 10th day of October 1951.

HOWARD S. KLINE,
Permit Agent.

[F. R. Doc. 51-12361; Filed, Oct. 15, 1951;
8:51 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 54-146]

PORTLAND GAS & COKE CO.

ORDER APPROVING PLAN FOR ISSUANCE OF NEW COMMON STOCK

Portland Gas & Coke Company ("Portland"), a gas utility company, and its parent company, American Power & Light Company ("American"), a registered holding company, having filed applications pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 ("act") and other applicable provisions of the act, for approval of plans and amendments thereto ("the plans"), providing, among other things, for the issuance by Portland of new common stock in exchange for its outstanding preferred and common stocks, the terms of such plans being identical except with respect to the proposed allocations of new common stock to the outstanding preferred and common stocks of Portland;

Public hearings having been duly held after appropriate notice, at which hearings all interested persons were afforded an opportunity to be heard;

Portland and American having requested the Commission to enter an order reciting that the transactions proposed in the plans are necessary to effectuate the provisions of section 11 (b) of the act and are fair and equitable to the persons affected thereby, and that such order contain recitals in accordance with the requirements of the Internal Revenue Code, as amended, including section 1808 (f) and Supplement R thereof;

Portland and American having further requested the Commission, pursuant to section 11 (e) of the act, to apply to an appropriate court, in accordance with the provisions of section 18 (f) of the act, to enforce and carry out the terms and provisions of the plans;

The Commission having considered the record in the matter and having filed its findings and opinion herein on August 29, 1951, finding that the plans are necessary to effectuate the provisions of section 11 (b) of the act and, if amended in certain respects as set forth in said findings and opinion, fair and equitable to all persons affected thereby;

Portland having, on September 28, 1951, filed an amendment to its plan (the plan, as amended, being hereinafter sometimes referred to as "the amended plan") modifying the plan in accordance with the aforesaid findings and opinion of the Commission;

The Commission having concluded in the aforesaid findings and opinion that

the amount of authorized but unissued shares of new common stock to be provided in the plans not exceed 25 percent of the number of shares to be issued immediately and that stockholder authorization be obtained for the issuance of such additional shares as may be required, and Portland having provided in the amended plan for the authorization of shares of new common stock in an amount approximately 50 percent in excess of the number of shares to be issued immediately, with the further provision that none of the authorized but unissued shares in excess of 25 percent of the number of shares to be issued immediately may be issued without the prior consent of the holders of record of two-thirds of the outstanding shares of the new common stock;

All the parties and participants in this proceeding, including the Preferred Stockholders Committee which had objected to the authorization of any shares of new common stock in excess of the number of shares to be issued immediately, having stated they have no objection to the provisions of the amended plan with respect to authorized but unissued shares, and the Commission having found that such provisions conform in substance with the conclusions expressed in its findings and opinion of August 29, 1951;

The Preferred Stockholders Committee having objected to the provision of the amended plan that the initial Board of Directors to be selected by agreement with the security holders of Portland shall hold office, if approved by the Commission, from the effective date of the amended plan until the first annual meeting of stockholders to be held pursuant to Portland's amended by-laws after the effective date, and having contended that it appears that under this provision the initial Board of Directors will at most hold office for from a few days to a few months and that, since continuity in the initial Board of Directors is desirable, the Commission should require a further amendment to provide that the initial Board of Directors shall hold office for at least one year;

The Commission having considered the aforesaid objection and having concluded that if the initial Board of Directors is selected by agreement it would be inappropriate to defer the next annual meeting of Portland at which the stockholders would have an opportunity to vote directly for a Board of Directors, and that if the initial Board of Directors is not so selected but is to be elected any problems which might arise because of the proximity of such election to the next annual meeting of Portland's stockholders can be considered along with the other procedures for such election over which this order reserves jurisdiction;

The Commission having considered said amendment in the light of its findings and opinion and finding that the amended plan is necessary to effectuate the provisions of section 11 (b) of the act and is fair and equitable to the persons affected by it;

American having filed no amendment to its plan to modify it in accordance with the Commission's findings and opinion herein of August 29, 1951, and having

proposed to acquire new common stock of Portland to be distributed in exchange for its present holdings of Portland common stock;

It is ordered, On the basis of the record herein and the said findings and opinion, pursuant to section 11 (e) of the act and other applicable provisions of the act, that the plan filed by American be and it hereby is disapproved, and that Portland's amended plan be and it hereby is approved subject to the terms and conditions contained in Rule U-24 and to the following additional terms and conditions:

1. That the order entered herein shall not be operative to authorize the consummation of the transactions proposed in the amended plan until an appropriate United States District Court shall, upon application thereto, enter an order enforcing said amended plan;

2. That jurisdiction be and it hereby is specifically reserved to determine the reasonableness and appropriate allocation of all fees and expenses and other remuneration incurred or to be incurred in connection with the amended plan and the transactions incident thereto;

3. That jurisdiction be and it hereby is specifically reserved with respect to the selection or election and the composition of the initial Board of Directors of Portland and, pursuant to Rule U-62, with respect to the solicitation of authorizations from stockholders of Portland in connection with the selection or election of the initial Board of Directors;

4. That jurisdiction be and it hereby is specifically reserved to entertain such further proceedings, to make such supplemental findings, and to take such further action as may be necessary in connection with the amended plan, the transactions incident thereto, and the consummation thereof;

It is further ordered, That the proposed acquisition of new common stock of Portland by American in exchange for its holdings of the present common stock of Portland be and it hereby is approved pursuant to section 10 of the act subject to the terms and conditions contained in Rule U-24 and subject to the disposition by American of its interest in Portland within one year after the effective date of the amended plan;

It is further ordered and recited, That the issuance, transfers, deliveries and exchanges of securities specified and itemized below, all of which are to be carried out in accordance with the amended plan and all of which are hereby approved, are necessary or appropriate to the integration or simplification of the holding company system of which Portland and American are members, and are necessary or appropriate to effectuate the provisions of section 11 (b) of the act, all in accordance with the meaning and requirements of the Internal Revenue Code, as amended, including Supplement R and section 1808 (f) thereof:

(1) The transfer and delivery by American to the Exchange Agent of 311,130 shares of the presently outstanding common stock of Portland;

(2) The issuance by Portland of up to 547,627 shares of new common stock in place of its present outstanding preferred and common stocks, and the transfers and deliveries to the Exchange Agent of up to 547,627 shares of said new common stock;

(3) The transfer and delivery to the Exchange Agent by the persons who are the holders of Portland's securities at the time of surrender thereof (whether or not such respective holders are the holders of record of the securities or became holders thereof on or after the consummation date of the amended plan), of up to 53,985 shares of Portland's 7 percent preferred stock, 8,712 shares of Portland's 6 percent preferred stock, and 311,130 shares of Portland's no par value common stock;

(4) The transfers and deliveries by the Exchange Agent in exchange for certificates for shares of the present stock of Portland surrendered by the above-mentioned holders to the Exchange Agent, of shares of new common stock specified in "(2)" above, such exchanges, transfers and deliveries to be in the following basic amounts:

(a) For each share of Portland's 7 percent preferred stock, eight shares of new common stock of Portland;

(b) For each share of Portland's 6 percent preferred stock, seven shares of new common stock of Portland;

(c) For the 311,130 shares of the presently outstanding common stock of Portland to be surrendered by American, 54,763 shares of new common stock of Portland;

(5) All other issuances, transfers, deliveries, distributions and exchanges which are incident to the transactions specified in "(1)" to "(4)" hereinabove and which are required in order to carry out the amended plan.

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F. R. Doc. 51-12349; Filed, Oct. 15, 1951;
8:50 a. m.]

[File No. 70-2690]

GENERAL PUBLIC UTILITIES CORP. ET AL.

SUPPLEMENTAL ORDER RELEASING JURISDICTION HERETOFORE RESERVED WITH RESPECT TO ISSUANCE AND SALE OF SECURITIES

In the matter of General Public Utilities Corporation, Associated Electric Company, Pennsylvania Electric Company: File No. 70-2690.

General Public Utilities Corporation ("GPU"), a registered holding company, Associated Electric Company ("Aelec"), subsidiary of GPU and also a registered holding company, and Pennsylvania Electric Company ("Penelec"), subsidiary of Aelec and an operating utility company, having filed a joint application-declaration and an amendment thereto, pursuant to sections 6 (b), 9 (a), 10, and 12 of the Public Utility Holding Company Act of 1935, regarding, inter alia, the issue and sale by Penelec, pursuant to the competitive bidding re-

quirements of Rule U-50, of \$5,000,000 principal amount of additional First Mortgage Bonds, -- percent Series due 1981 ("New Bonds"), and 30,000 additional shares of Cumulative Preferred Stock, par value \$100 per share, -- percent Series E ("New Preferred Stock"); and

The Commission, by order entered September 12, 1951, having granted said application-declaration subject to the terms and conditions prescribed in Rule U-24 and to the following additional conditions:

1. That the proposed issuance and sale of the New Preferred Stock and New Bonds shall not be consummated until the results of competitive bidding and the public offering price of said securities shall have been made a matter of record in this proceeding and a further order shall have been entered by this Commission in the light of the record so completed, which order shall contain such further terms and conditions, if any, as may then be deemed appropriate, jurisdiction being reserved for the imposition thereof;

2. Jurisdiction is also reserved with respect to the payment of all fees for legal and accounting services; and

Penelec having filed on October 10, 1951 a further amendment to said application stating that it offered the New Bonds for sale pursuant to the competitive bidding requirements of Rule U-50 and has received the following bids:

Bidder	Annual interest rate (percent)	Price to company ¹ (percent of principal)	Annual cost to company (percent)
Kidder, Peabody & Co., Union Securities Corp., and White, Weld & Co.	3 3/4	101.091	3.317310
Kuhn, Loeb & Co.	3 3/4	101.29	3.359583
Shields & Co., R. W. Pressprich & Co.	3.50	101.33	3.428678
Equitable Securities Corp.	3.50	101.275	3.431603
Halsey, Stuart & Co., Inc.	3.50	100.70	3.462305
A. C. Allyn and Co., Inc.	3.50	100.1299	3.492980

¹ Exclusive of accrued interest from Oct. 1, 1951.

The amendment further stating that Penelec also offered the New Preferred Stock for sale pursuant to said Rule U-50 and has received the following bids:

Bidder	Annual dividend rate (dollars per share)	Price to company (dollars per share)	Annual cost to company (percent)
Smith, Barney & Co., Kidder, Peabody & Co.	4.70	100.0995	4.695328
Harriman Ripley & Co., Inc.	4.75	100.77	4.713704
Kuhn, Loeb & Co.	4.75	100.199999	4.740519
W. C. Langley & Co., Glorie, Forgan & Co.	4.90	100.15999	4.892173

The amendment further stating that Penelec has accepted the bid of Kidder, Peabody & Co., Union Securities Corporation, and White, Weld & Co. for the New Bonds as set forth above, and that said bonds will be offered for sale to the public at a price of 101.625 percent of the principal amount thereof, resulting

in an underwriter's spread of 0.534 percent; and that Penelec has also accepted the bid of Smith, Barney & Co., and Kidder, Peabody & Co. for the New Preferred Stock as set forth above, and that said stock will be offered for sale to the public at a price of 103.25 percent of the par value thereof, resulting in an underwriter's spread of 3.1505 percent; and

Penelec having supplied further information with respect to fees for legal and accounting services proposed to be paid in connection with said transactions, as follows:

	Applicable to issue of bonds	Applicable to issue of preferred stock
<i>To be paid by Penelec</i>		
Ballard, Spahr, Andrews & Ingersoll, legal.....	\$5,500	\$3,000
Berlack & Isaacs, legal.....	2,000	1,250
24 local counsel (est.), legal.....	2,000	
Lybrand, Ross Bros. & Montgomery, accounting.....	5,500	3,000
Total.....	15,000	7,250
<i>To be paid by successful bidders</i>		
Beekman & Bogue, legal.....	4,750	2,750

The Commission having examined said amendment and having considered the record herein and finding no basis for imposing terms and conditions with respect to the price to be received for said bonds, the redemption prices thereof, the interest rate thereon, and the underwriter's spreads; and the Commission likewise finding no basis for imposing terms and conditions with respect to the price to be received for the preferred stock, the redemption prices thereof, the dividend rate thereon and the underwriter's spread; and

It appearing that the proposed legal fees and expenses are not unreasonable and that jurisdiction with respect thereto should be released:

It is further ordered, That jurisdiction heretofore reserved in connection with the sale of said bonds and preferred stock be and the same hereby is released, and that said application-declaration as further amended be, and the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24 of the general rules and regulations under the act.

It is further ordered, That jurisdiction heretofore reserved over legal and accounting fees in connection with said transactions be, and the same hereby is, released.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 51-12348; Filed, Oct. 15 1951;
8:49 a. m.]

[File No. 70-2698]

ARKANSAS POWER & LIGHT CO.

SUPPLEMENTAL ORDER AUTHORIZING THE SALE OF BONDS AND RELEASING JURISDICTION OVER FEES AND EXPENSES

Arkansas Power & Light Company ("Arkansas"), an electric utility sub-

siary of Middle South Utilities, Inc., a registered holding company, having filed an application and amendments thereto pursuant to the Public Utility Holding Company Act of 1935, particularly section 6 (b) thereof, and Rule U-50 of the rules and regulations promulgated thereunder, with respect to the issuance and sale by Arkansas, pursuant to the competitive bidding requirements of Rule U-50, of \$8,000,000 principal amount of First Mortgage Bonds, --- Percent Series, due 1981; and

The Commission by order dated September 25, 1951, having granted said application, subject to the condition that the proposed issuance and sale of bonds should not be consummated until the results of competitive bidding pursuant to Rule U-50 should have been made a matter of record in this proceeding, and a further order entered by the Commission in the light of the record as so completed, and subject to a reservation of jurisdiction with respect to the fees and expenses incurred in connection with the proposed transaction; and

A further amendment to the said application having been filed on October 10, 1951, setting forth the action taken by Arkansas to comply with the requirements of Rule U-50, and stating that pursuant to the invitation for competitive bids the following bids were received for the bonds:

Bidding group	Coupon rate	Price to company (percent of principal amount)	Cost to company (percent)
Equitable Securities Corp.	3½	102.239	3.5038
Central Republic Co.			
Lehman Bros.	3½	101.70332	3.5325
Stone & Webster Securities Corp.			
Merrill Lynch, Pierce, Fenner & Beane.....	3½	101.452	3.5460
Union Securities Corp.	3½	101.11	3.5645
Halsey, Stuart & Co., Inc.	3½	100.5599	3.5944

Said amendment also setting forth that Arkansas has accepted the bid of the group headed by Equitable Securities Corporation and Central Republic Company, as shown above, and that said bonds will be reoffered to the public at 103.254 percent of the principal amount thereof plus accrued interest from October 1, 1951 to the date of delivery, resulting in an underwriters' spread of 1.015 percent of the principal amount of said bonds; and

The record having been completed with respect to the fees and expenses of the proposed transaction, which fees and expenses are estimated in the aggregate amount of \$80,000, including the following legal fees:

Reid & Priest (New York counsel for the company).....	\$8,500
House, Moses & Holmes (local counsel for the company).....	5,000
White & Case (counsel for the underwriters, fee to be paid by the purchaser of the bonds).....	6,500

The Commission having examined said amendment and having considered the record herein and finding no basis for imposing terms and conditions with respect to the price to be received for said bonds, the interest rate thereon, the redemption prices thereof, or the under-

writer's spread; and also finding that the estimated fees and expenses incurred or to be incurred in connection with the proposed transaction are not unreasonable; and it appearing to the Commission that jurisdiction heretofore reserved over the transaction until the results of competitive bidding on the bonds had been made a matter of record in this proceeding, and over all fees and expenses should be released.

It is ordered, That the jurisdiction heretofore reserved over the proposed transaction until the results of competitive bidding on the bonds had been made a matter of record in this proceeding, be, and the same hereby is, released, and that said application, as further amended, be, and the same hereby is, granted, subject to the terms and conditions prescribed in Rule U-24.

It is further ordered, That jurisdiction heretofore reserved over the payment of all fees and expenses incurred or to be incurred in connection with the proposed transaction be, and the same hereby is, released.

It is further ordered, That this order shall become effective upon its issuance.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 51-12350; Filed, Oct. 15, 1951;
8:50 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of the Administrator

[Determination 1, Amdt. 4]

APPROVING EXTENT OF RELAXATION OF CREDIT CONTROLS IN CRITICAL DEFENSE HOUSING AREAS

Section 3, *Areas affected*, of Determination No. 1 approving the extent of the relaxation of real estate construction credit controls in critical defense housing areas published in 16 F. R. 9582, September 20, 1951, is hereby amended by adding the following areas thereto, in view of the joint certification action taken by the Secretary of Defense and the Director of Defense Mobilization dated September 27, 1951 (see Docket Nos. 78 and 2, *infra*), and in view of the defense housing programs of credit restrictions approved for said areas by the Housing and Home Finance Agency (C. R. 2, 16 F. R. 3303 and C. R. 3, 16 F. R. 3835):

Area and Date

- Norfolk-Portsmouth, Virginia, August 9, 1951.
- Paducah, Kentucky, June 25, 1951.

RALPH D. HETZEL, Jr.,
Acting Administrator.

OCTOBER 12, 1951.

[Docket No. 2]

DETERMINATIONS AND CERTIFICATIONS OF CRITICAL DEFENSE HOUSING AREAS

SEPTEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information

available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947 as amended exist in the area designated as Paducah, Kentucky, Area. (Includes Ballard and McCracken counties in the state of Kentucky; in the state of Illinois, the county of Massac, plus the township of Vienna including Vienna City in Johnson county.)

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.
C. E. WILSON,
Director of Defense Mobilization.

[Docket No. 78]

SEPTEMBER 27, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the area designated as Norfolk-Portsmouth, Virginia, area. (Includes the independent cities of Norfolk, South Norfolk and Portsmouth and the counties of Norfolk and Princess Anne.)

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that the aforementioned area is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.
C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-12417; Filed, Oct. 12, 1951;
2:39 p. m.]

Office of Price Stabilization

[Ceiling Price Regulation 7, Section 43,
Revocation of Special Order 97]

SITROUX, INC.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 97, issued to Sitroux, Inc., on June 25, 1951, effective June 26, 1951, established ceiling prices at retail for facial tissues having the brand name "Sitruex."

Sitroux, Inc., has applied for a revocation of this special order, stating that it is unable to comply with the preticketing provisions of the special order. Because preticketing by the manufacturer is a necessary requirement to orders issued under section 43 of Ceiling Price Regulation 7, the special order, in the opinion of the Director, should be revoked.

This order of revocation requires the applicant to send a copy thereof to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling

No. 201—10

Price Regulation 7, Special Order 97, issued to Sitroux, Inc. on June 25, 1951, effective June 26, 1951, establishing ceiling prices at retail for facial tissues having the brand name "Sitruex," shall be, and the same hereby is, revoked in all respects.

2. Sitroux, Inc. must, within 15 days after the effective date of this order of revocation, send a copy of this order of revocation to all purchasers for resale to whom it has given notice of Special Order 97.

Effective date. This order of revocation shall be effective October 10, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12333; Filed, Oct. 10, 1951;
4:51 p. m.]

[Ceiling Price Regulation 7, Section 43,
Revocation of Special Order 214]

ATLANTA STOVE WORKS, INC.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 214, issued to the Atlanta Stove Works, Inc. on August 3, 1951, effective on August 4, 1951, established ceiling prices at retail for cast iron lawn furniture having the brand name "Atlanta Stove Works Cast Iron Lawn Furniture."

The Atlanta Stove Works, Inc., has applied for a revocation of this special order, stating that its products have always been sold at uniform retail prices only in a limited area of 3 states, while section 43 of Ceiling Price Regulation requires a history of uniform prices except for a limited area. The Director has determined that sufficient reasons have been shown for revocation of the special order.

This order of revocation requires the applicant to send a copy thereof to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, Special Order 214, issued to The Atlanta Stove Works, Inc. on August 3, 1951, effective August 4, 1951, establishing ceiling prices at retail for cast iron lawn furniture having the brand name "Atlanta Stove Works Cast Iron Lawn Furniture," shall be, and the same hereby is, revoked in all respects.

2. The Atlanta Stove Works, Inc. must, within 15 days after the effective date of this order of revocation, send a copy of this order of revocation to all purchasers for resale to whom it has given notice of Special Order 214.

Effective date. This order of revocation shall become effective October 10, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12334; Filed, Oct. 10, 1951;
4:51 p. m.]

[Ceiling Price Regulation 7, Section 43, Revocation of Special Order 290]

KENTLEY CORP.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 290, issued to Kentley Corporation on August 7, 1951, effective on August 8, 1951, established ceiling prices at retail for trays, tumblers, coasterettes, folding tables and serviettes having the brand name(s) "Non-Skid Trays," "Sham Bottom Tumblers," "Folding Tray Tables," "Serviettes," "Coasterettes."

Kentley Corporation, has applied for a revocation of this special order, stating that it was in error as to the sale of its products at uniform retail prices prior to January 26, 1951. The Director has determined that sufficient reasons have been shown for revocation of the special order.

This order of revocation requires the applicant to send a copy thereof to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, Special Order 290, issued to Kentley Corporation on August 7, 1951, effective on August 8, 1951, establishing ceiling prices at retail for trays, tumblers, coasterettes, folding tables and serviettes having the brand name(s) "Non-Skid Trays," "Sham Bottom Tumblers," "Folding Tray Tables," "Serviettes," "Coasterettes," shall be, and the same hereby is, revoked in all respects.

2. Kentley Corporation must, within 15 days after the effective date of this order of revocation, send a copy of this order of revocation to all purchasers for resale to whom it has given notice of Special Order 290.

Effective date. This order of revocation shall become effective October 10, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12335; Filed, Oct. 10, 1951;
4:51 p. m.]

[Ceiling Price Regulation 7, Section 43,
Revocation of Special Order 450]

STANDARD KNITTING MILLS, INC.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 450, issued to Standard Knitting Mills, Inc., on August 16, 1951, effective August 17, 1951, established ceiling prices at retail for knit underwear, sportswear and sleepwear having the brand name "Healthknit."

Standard Knitting Mills, Inc., has applied for an order of revocation of this special order. The applicant states that it is unable to comply with the preticketing provisions of the special order. Because strict compliance with the preticketing requirements of an order issued under section 43 of CPR 7 is necessary, this special order, in the opinion of the Director, should be revoked.

The order of revocation requires the applicant to send a copy to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, Special Order 450, issued to Standard Knitting Mills, Inc., on August 16, 1951, effective August 17, 1951, establishing ceiling prices at retail for knit underwear, sportswear, and sleepwear having the brand name "Healthknit," shall be, and the same hereby is, revoked in all respects.

2. **Notification to resellers—(a) Notice to be given by applicant.** Within 15 days after the effective date of this order of revocation, the Standard Knitting Mills, Inc. must send a copy of this order of revocation to all purchasers for resale to whom it had given notice of Special Order 450.

The applicant must also, within 15 days after the effective date of this order of revocation, supply each purchaser for resale, other than a retailer, with sufficient copies of this order of revocation to enable such purchasers to comply with the notification requirements of this order of revocation.

(b) **Notices to be given by purchasers for resale (other than retailers).** Within 15 days of receipt of this order of revocation, each purchaser for resale (other than retailers) must send a copy of this order of revocation to each purchaser for resale to whom he has given notice of Special Order 450.

Effective date. This order of revocation shall become effective October 10, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12336; Filed, Oct. 10, 1951; 4:51 p. m.]

[Ceiling Price Regulation 7, Section 43,
Revocation of Special Order 553]

SANITARY PRODUCTS CORP.

CEILING PRICES AT RETAIL

Statement of considerations. Special Order 553, issued to Sanitary Products Corporation on August 21, 1951, effective August 22, 1951, established ceiling prices at retail for sanitary goods, tampons, having the brand name "Pursettes."

Sanitary Products Corporation has applied for an order of revocation of this special order. The applicant states that it is unable to comply with the pre-ticketing provisions of the special order. Because strict compliance with the pre-ticketing requirements of an order issued under section 43 of CPR 7 is necessary, this special order, in the opinion of the Director, should be revoked.

The order of revocation requires the applicant to send a copy to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling

Price Regulation 7, Special Order 553, issued to Sanitary Products Corporation on August 21, 1951, effective August 22, 1951, establishing ceiling prices at retail for sanitary products, tampons, having the brand name "Pursettes," shall be, and the same hereby is, revoked in all respects.

2. **Notification to resellers—(a) Notice to be given by applicant.** Within 15 days after the effective date of this order of revocation, the Sanitary Products Corporation must send a copy of this order of revocation to all purchasers for resale to whom it had given notice of Special Order 553.

The applicant must also, within 15 days after the effective date of this order of revocation, supply each purchaser for resale, other than a retailer, with sufficient copies of this order of revocation to enable such purchasers to comply with the notification requirements of this order of revocation.

(b) **Notices to be given by purchasers for resale (other than retailers).** Within 15 days of receipt of this order of revocation, each purchaser for resale (other than retailers) must send a copy of this order of revocation to each purchaser for resale to whom he has given notice of Special Order 553.

Effective date. This order of revocation shall become effective October 10, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12337; Filed, Oct. 10, 1951; 4:51 p. m.]

[Ceiling Price Regulation 7, Section 43,
Revocation of Special Order 557]

B. F. GLADDING & CO., INC.

CEILING PRICES AT WHOLESALE AND RETAIL

Statement of considerations. Special Order 557, issued to B. F. Gladding & Co., Inc., on August 22, 1951, effective August 23, 1951, established ceiling prices at retail for fishing lines and fly fishermen's kits having the brand name "Gladding."

B. F. Gladding & Co., Inc., has applied for a revocation of this special order. The applicant states that it no longer sells many of the price lines specifically covered by the special order, and therefore, that the utility of the special order has been seriously impaired. The Director has determined that sufficient reasons have been shown for revocation of the special order.

The order of revocation requires the applicant to send a copy to all purchasers for resale who have received notice of the special order.

Revocation. 1. For the reasons set forth in the statement of considerations and pursuant to Section 43 of Ceiling Price Regulation 7, Special Order 557, issued to B. F. Gladding & Co. Inc., on August 22, 1951, effective August 23, 1951, establishing ceiling prices at retail for fishing lines and fly fishermen's kits having the brand name "Gladding," shall be, and the same hereby is, revoked in all respects

2. **Notification to resellers—(a) Notice to be given by applicant.** Within 15 days after the effective date of this order of revocation, the B. F. Gladding & Co., Inc., must send a copy of this order of revocation to all purchasers for resale to whom it has given notice of Special Order 557.

The applicant must also, within 15 days after the effective date of this order of revocation, supply each purchaser for resale, other than a retailer, with sufficient copies of this order of revocation to enable such purchasers to comply with the notification requirements of this order of revocation.

(b) **Notices to be given by purchasers for resale (other than retailers).** Within 15 days of receipt of this order of revocation, each purchaser for resale (other than retailers) must send a copy of this order of revocation to each purchaser for resale to whom he has given notice of Special Order 557.

Effective date. This order of revocation shall become effective October 10, 1951.

MICHAEL V. DiSALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12338; Filed, Oct. 10, 1951; 4:52 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 712]

A. N. KHOURI & BRO.

CEILING PRICES AT RETAIL

Statement of considerations. In accordance with section 43 of Ceiling Price Regulation 7, the applicant named in the accompanying special order, A. N. Khouri & Bro., 234 East Forty-sixth Street, New York, New York (hereafter called wholesaler), has applied to the Office of Price Stabilization for maximum resale prices for retail sales of certain of its articles. Applicant has submitted the information required under this section and has produced evidence which in the judgment of the Director indicates that the applicant has complied with other stated requirements.

The Director has determined on the basis of information available to him, including the data and certified conclusions of fact submitted by the applicant, that the retail ceiling prices requested and which are established by this special order are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

The special order contains provisions requiring each article to be marked by the applicant with the retail ceiling price established by the accompanying special order. The applicant is required to send purchasers of the articles a copy of this special order, a notice listing retail ceiling prices for each cost line and, in specified cases, of subsequent amendments of this special order.

The special order also requires applicant to file with the Distribution Price Branch regular reports setting forth the number of units of each article covered

by this special order which applicant has delivered during the reporting period. This requirement conforms with the provisions of section 43, Ceiling Price Regulation 7.

Special provisions. For the reasons set forth in the statement of considerations and pursuant to section 43 of Ceiling Price Regulation 7, this special order is hereby issued.

1. The ceiling prices for sales at retail of crystal dinnerware and decorative housewares sold at wholesale by A. N. Khouri & Bro., 234 East Forty-sixth Street, New York, New York, having the brand name(s) "LALIQUE" shall be the proposed retail ceiling prices listed by A. N. Khouri & Bro. in its application dated June 20, 1951, and filed with the Office of Price Stabilization, Washington 25, D. C.

A list of such ceiling prices will be filed by the Office of Price Stabilization with the Federal Register as an appendix to this special order as soon as practicable. On and after the date of receipt of a copy of this special order, with notice of prices annexed, but in no event later than December 10, 1951, no seller at retail may offer or sell any article covered by this special order at a price higher than the ceiling price established by this special order. Sales may, of course, be made at less than the ceiling prices.

2. The retail ceiling price of an article fixed by paragraph 1 of this special order shall apply to any other article of the same type which is otherwise priceable under Ceiling Price Regulation 7 by retailers subject to that regulation, having the same selling price and terms of sale to the retailer, the same brand or company name and first sold by the wholesaler after the effective date of this special order.

3. On and after December 10, 1951, A. N. Khouri & Bro. must mark each article for which a ceiling price has been established in paragraph 1 of this special order with the retail ceiling price under this special order, or attach to the article a label, tag or ticket stating the retail ceiling price. This mark or statement must be in the following form:

OPS—Sec. 43—CPR 7
Price \$-----

On and after January 9, 1952, no retailer may offer or sell the article unless it is marked or tagged in the form stated above. Prior to January 9, 1952, unless the article is marked or tagged in this form, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the wholesaler's application or changes the retail ceiling price of a listed article, the applicant named in this special order must comply, as to each such article, with the preticketing requirements of this paragraph within 30 days after the effective date of the amendment. After 60 days from the effective date, no retailer may offer or sell the article unless it is ticketed in accordance with the requirements of this paragraph. Prior to

the expiration of the 60-day period, unless the article is so ticketed, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

4. Within 15 days after the effective date of this special order, the wholesaler shall send a copy of this special order to each purchaser for resale to whom, within two months immediately prior to the effective date, the wholesaler had delivered any article covered in paragraph 1 of this special order. Copies shall also be sent to all other purchasers on or before the date of the first delivery of any such article subsequent to the effective date of this special order, and shall be accompanied by copies of each amendment thereto (if any) issued prior to the date of the delivery. The wholesaler shall annex to the special order a notice, listing the cost and discount terms to retailers for each article covered by this special order and the corresponding retail ceiling price fixed by this special order for an article of that cost. The notice shall be in substantially the following form:

(Column 1)	(Column 2)
Price to retailers	Retailer's ceilings for articles of cost listed in column 1
\$----- per ----- {unit, dozen, etc.	\$-----
Terms {net, percent EOM, etc.	

Within 15 days after the effective date of this special order, two copies of this notice must also be filed by the wholesaler with the Distribution Price Branch, Consumer Soft Goods Division, Office of Price Stabilization, Washington 25, D. C. Within 15 days after the effective date of any subsequent amendment to this special order, the wholesaler shall send a copy of the amendment to each purchaser to whom, within 2 months immediately prior to the effective date of such amendment, the wholesaler had delivered any article the sale of which is affected in any manner by the amendment.

5. Within 45 days of the expiration of the first 6-month period following the effective date of this special order and within 45 days of the expiration of each successive 6-month period, the wholesaler shall file with the Distribution Price Branch, Office of Price Stabilization, Washington 25, D. C., a report setting forth the number of units of each article covered by this special order which he has delivered in that 6-month period.

6. The provisions of this special order establish the ceiling price for sales at retail of the articles covered by it regardless of whether the retailer is otherwise subject to Ceiling Price Regulation 7 or any other regulation.

7. This special order or any provision thereof may be revoked, suspended, or amended by the Director of Price Stabilization at any time.

8. The provisions of this special order are applicable to the United States and the District of Columbia.

Effective date. This special order shall become effective October 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12339; Filed, Oct. 10, 1951; 4:52 p. m.]

[Ceiling Price Regulation 7, Section 43,
Special Order 300, Amdt. 1]

BUXBAUM CO. INC.

CEILING PRICES AT RETAIL

Statement of considerations. This amendment to Special Order 300, issued under section 43 of Ceiling Price Regulation 7, to The Buxbaum Co., extends the date by which the applicant was required to mark or tag its branded articles. The extension is granted on applicant's demonstration of its inability to preticket in the manner set forth in the special order by the date specified.

Amendatory provisions. Special order 300 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. In paragraph 2, substitute for the date "October 8, 1951," the date, "December 7, 1951".

2. In paragraph 2, substitute for the date, "November 6, 1951" wherever it appears, the date, "January 6, 1952".

Effective date. This amendment shall become effective October 11, 1951.

MICHAEL V. DISALLE,
Director of Price Stabilization.

OCTOBER 10, 1951.

[F. R. Doc. 51-12332; Filed, Oct. 10, 1951; 4:52 p. m.]

[Region XII, Redefinition of Authority No. 1]
DIRECTORS OF DISTRICT OFFICES, REGION XII

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS PERTAINING TO CERTAIN FOOD AND RESTAURANT COMMODITIES

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XII, pursuant to delegation of authority No. 13 (16 F. R. 6806), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the San Francisco, Los Angeles, Phoenix, San Diego and Sacramento Offices of Price Stabilization to act on all applications for price action and adjustment under the provisions of section 13 of Ceiling Price Regulation 11, as amended.

This redelegation of authority is effective as of August 29, 1951.

EARL I. CLOUD,
Acting Director of
Regional Office No. XII.

OCTOBER 12, 1951.

[F. R. Doc. 51-12445; Filed, Oct. 12, 1951; 5:05 p. m.]

NOTICES

[Region XII, Redlegation of Authority No. 2]

**DIRECTORS OF DISTRICT OFFICES,
REGION XII**

**REDELEGATION OF AUTHORITY TO ACT ON
APPLICATIONS PERTAINING TO CERTAIN
FOOD AND RESTAURANT COMMODITIES**

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XII, pursuant to Delegation of Authority No. 8, 16 F. R. 5659, this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Phoenix, San Diego, and Sacramento Offices of Price Stabilization to authorize, by order, in accordance with section 26a of Ceiling Price Regulation 15, exclusion from using the markups fixed by that regulation and determination of ceiling prices under the General Ceiling Price Regulation instead.

2. Authority is hereby redelegated to the Directors of the Phoenix, San Diego, and Sacramento Offices of Price Stabilization to authorize, by order, in accordance with section 24a of Ceiling Price Regulation 16, exclusion of stores from using the markups fixed by Ceiling Price Regulation 16 and determination of ceiling prices under the General Ceiling Price Regulation.

3. Authority is hereby redelegated to the Directors of the Phoenix, San Diego, and Sacramento Offices of Price Stabilization, to authorize stores, by order, in accordance with section 26 of Ceiling Price Regulation 15, to use the markups fixed by Ceiling Price Regulation 16 for Group 1 or 2 stores instead of the markups fixed by Ceiling Price Regulation 15 for Group 3 or 4 stores.

4. Authority is hereby redelegated to the Directors of the San Francisco, Los Angeles, Phoenix, San Diego, and Sacra-

mento Offices of Price Stabilization to authorize, by order, in accordance with section 28a of Ceiling Price Regulation 14, operation as service fee wholesalers.

5. Authority is hereby redelegated to the Directors of the San Francisco, Los Angeles, Phoenix, San Diego, and Sacramento Offices of Price Stabilization to authorize, by order, in accordance with section 28b of Ceiling Price Regulation 14, exclusion from using the markups fixed by Ceiling Price Regulation 14 and determination of ceiling prices under the General Ceiling Price Regulation instead.

This redelegation of authority is effective as of August 29, 1951.

**EARL I. CLOUD,
Acting Director of
Regional Office No. XII.**

OCTOBER 12, 1951.

[F. R. Doc. 51-12446; Filed, Oct. 12, 1951;
5:06 p. m.]

[Region XII, Redlegation of Authority No. 3]

**DIRECTORS OF DISTRICT OFFICES, REGION
XII**

**REDELEGATION OF AUTHORITY TO AUTHORIZE
MARKUPS IN EXCESS OF APPENDIX E OF
CPR 7**

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XII, pursuant to delegation of authority No. 5 (16 F. R. 3672), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to Directors of the Phoenix, San Diego, and Sacramento Offices of Price Stabilization to authorize, by order, in accordance with section 39 (b) (3) of Ceiling Price Regulation 7, markups higher than those listed in Appendix E of that regulation.

This redelegation of authority is effective as of August 29, 1951.

**EARL I. CLOUD,
Acting Director of
Regional Office No. XII.**

OCTOBER 12, 1951.

[F. R. Doc. 51-12447; Filed, Oct. 12, 1951;
5:06 p. m.]

[Region XII, Redlegation of Authority
No. 4]

**DIRECTORS OF DISTRICT OFFICES,
REGION XII**

**REDELEGATION OF AUTHORITY TO AUTHORIZE
SELLERS UNDER CPR 25 TO USE GROUP 1 OR
2 CEILING PRICES INSTEAD OF GROUP 3 OR
4 CEILING PRICES**

By virtue of the authority vested in me as Acting Director of the Regional Office of Price Stabilization, No. XII, pursuant to section 34, Ceiling Price Regulation 25 (16 F. R. 3739), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Director of the San Francisco, Los Angeles, Phoenix, San Diego, and Sacramento Offices of Price Stabilization to authorize, by order, in accordance with section 33 of Ceiling Price Regulation 25, use of ceiling prices for Group 1 or 2 stores instead of ceiling prices for Group 3 or 4 stores.

This redelegation of authority is effective as of August 30, 1951.

**EARL I. CLOUD,
Acting Director of
Regional Office No. XII.**

OCTOBER 12, 1951.

[F. R. Doc. 51-12448; Filed, Oct. 12, 1951;
5:06 p. m.]